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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

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## SEMI-ANNUAL FINANCIAL STATEMENTS

for the period ended June 30, 2017

Sun Life BlackRock Canadian Balanced Class

Sun Life BlackRock Canadian Composite Equity Class

Sun Life BlackRock Canadian Equity Class

Sun Life Dynamic Equity Income Class

Sun Life Dynamic Strategic Yield Class

Sun Life Franklin Bissett Canadian Equity Class

Sun Life Granite Balanced Class

Sun Life Granite Balanced Growth Class

Sun Life Granite Conservative Class

Sun Life Granite Growth Class

Sun Life Granite Moderate Class

Sun Life MFS Canadian Equity Class

Sun Life MFS Dividend Income Class

Sun Life MFS Global Growth Class

Sun Life MFS International Growth Class

Sun Life MFS U.S. Growth Class

Sun Life Money Market Class

Sun Life Sentry Value Class

Sun Life Sionna Canadian Small Cap Equity Class

Sun Life Trimark Canadian Class





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# Sun Life BlackRock Canadian Balanced Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	1,795,575	1,722,713
Cash	–	–
Due from investment dealers	2,002	1,951
Accrued interest	–	–
Distributions receivable from underlying funds	3,365	–
Subscriptions receivable	–	–
	1,800,942	1,724,664
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	14,697	39
Accrued expenses	102	38
Redemptions payable	–	–
Distributions payable	–	–
Due to investment dealers	3,721	566
Management fees payable	2,079	1,969
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	20,599	2,612
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	1,780,343	1,722,052
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,111,008	1,107,533
Series AT5	63,215	61,329
Series E	–	–
Series EF	–	–
Series F	183,061	176,802
Series O	423,059	376,388
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.98	11.65
Series AT5	14.82	14.78
Series E	–	–
Series EF	–	–
Series F	12.53	12.12
Series O	11.56	11.15

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	–	–
Distributions from underlying funds	7,613	8,442
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	10,209	(1,241)
Change in unrealized appreciation (depreciation) in value of investments	51,076	70,277
<b>Net gains (losses) on investments</b>	68,898	77,478
<b>Total income (loss)</b>	68,898	77,478
<b>Expenses (note 5)</b>		
Management fees	10,487	8,587
Administration fees	503	371
Independent review committee fees	16	7
Total operating expenses	11,006	8,965
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	57,892	68,513
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	57,892	68,513
Income taxes	756	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	57,136	68,513
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	33,863	49,703
Series AT5	1,888	2,867
Series E	–	(4,109)
Series EF	–	(166)
Series F	6,467	5,783
Series O	14,918	14,435
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	94,399	80,810
Series AT5	4,199	3,943
Series E	–	18,672
Series EF	–	1,009
Series F	14,607	8,653
Series O	36,089	23,976
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.36	0.62
Series AT5	0.45	0.73
Series E	–	(0.22)
Series EF	–	(0.16)
Series F	0.44	0.67
Series O	0.41	0.60

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

# Sun Life BlackRock Canadian Balanced Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,107,533	737,742	61,329	56,715	–	212,381
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	33,863	49,703	1,888	2,867	–	(4,109)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	121,283	202,102	–	–	–	–
Redemption of redeemable shares	(151,640)	(21,138)	–	–	–	(208,260)
Reinvestment of distributions to holders of redeemable shares	2,935	852	1,709	1,484	–	10
Capitalized distributions	–	–	–	–	–	–
	(27,422)	181,816	1,709	1,484	–	(208,250)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(2,623)	(616)	(145)	(38)	–	–
From net investment income	–	–	(1,552)	–	–	–
Return of capital	(343)	(191)	(14)	(1,443)	–	(22)
	(2,966)	(807)	(1,711)	(1,481)	–	(22)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	3,475	230,712	1,886	2,870	–	(212,381)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	1,111,008	968,454	63,215	59,585	–	–

  

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,670	176,802	90,277	376,388	249,962
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(166)	6,467	5,783	14,918	14,435
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	14	9,504	63,017	–
Redemption of redeemable shares	–	(9,504)	(223)	(2,610)	(31,264)	(5,864)
Reinvestment of distributions to holders of redeemable shares	–	1	486	121	981	167
Capitalized distributions	–	–	–	–	–	–
	–	(9,503)	277	7,015	32,734	(5,697)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(420)	(68)	(981)	(167)
From net investment income	–	–	–	–	–	–
Return of capital	–	(1)	(65)	(41)	–	–
	–	(1)	(485)	(109)	(981)	(167)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,670)	6,259	12,689	46,671	8,571
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	183,061	102,966	423,059	258,533

	2017	2016
	Total	Total
	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,722,052	1,356,747
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	57,136	68,513
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	184,314	211,606
Redemption of redeemable shares	(183,127)	(247,376)
Reinvestment of distributions to holders of redeemable shares	6,111	2,635
Capitalized distributions	–	–
	7,298	(33,135)
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(4,169)	(889)
From net investment income	(1,552)	–
Return of capital	(422)	(1,698)
	(6,143)	(2,587)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	58,291	32,791
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	1,780,343	1,389,538

  

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	95,036	67,515	4,150	3,900	–	21,322
Shares issued	10,235	18,775	–	–	–	–
Shares issued on reinvestment of distributions	241	78	115	101	–	1
Shares redeemed	(12,765)	(1,915)	–	–	–	(21,323)
<b>Balance – end of period</b>	92,747	84,453	4,265	4,001	–	–

  

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series O	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,009	14,591	8,038	33,764	24,335
Shares issued	–	–	2	861	5,479	–
Shares issued on reinvestment of distributions	–	–	39	11	86	16
Shares redeemed	–	(1,009)	(18)	(224)	(2,729)	(575)
<b>Balance – end of period</b>	–	–	14,614	8,686	36,600	23,776

  

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	147,541	126,119
Shares issued	15,716	19,636
Shares issued on reinvestment of distributions	481	207
Shares redeemed	(15,512)	(25,046)
<b>Balance – end of period</b>	148,226	120,916

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

# Sun Life BlackRock Canadian Balanced Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	57,136	68,513
Adjustments for:		
Net realized (gain) loss on sale of investments	(10,209)	1,241
Change in unrealized (appreciation) depreciation in value of investments	(51,076)	(70,277)
Non-cash income distributions from underlying funds	(7,613)	(8,442)
Purchases of investments	(162,642)	(96,379)
Proceeds from sale of investments	161,782	69,696
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(3,365)	(4,314)
Change in management fees payable	110	1,341
Change in other payables and accrued expenses	64	67
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(15,813)</b>	<b>(38,554)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(32)	48
Proceeds from redeemable shares issued	184,314	211,606
Redemption of redeemable shares	(183,127)	(247,376)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,155</b>	<b>(35,722)</b>
Net increase (decrease) in cash	(14,658)	(74,276)
Cash (bank indebtedness) at beginning of period	(39)	74,507
<b>Cash (bank indebtedness) at end of period</b>	<b>(14,697)</b>	<b>231</b>
Interest received	-	-
Income taxes paid	(756)	-
Interest paid	-	-

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

# Sun Life BlackRock Canadian Balanced Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Balanced Fund, Series I	139,379	1,669,627	1,795,575	
		<b>1,669,627</b>	<b>1,795,575</b>	<b>100.86</b>
<b>Total Investments</b>		<b>1,669,627</b>	<b>1,795,575</b>	<b>100.86</b>
<b>Other Assets less Liabilities</b>			<b>(15,232)</b>	<b>(0.86)</b>
<b>Total Net Assets</b>			<b>1,780,343</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor' and Moody'. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	0.51
<b>Total</b>	<b>0.51</b>

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	0.11
<b>Total</b>	<b>0.11</b>

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

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

# Sun Life BlackRock Canadian Balanced Class (Continued)

The Underlying Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Bonds</b>		
Foreign Bonds	16.1	15.6
<b>Equities</b>		
Industrials	2.0	2.0
Consumer Discretionary	3.1	2.9
Consumer Staples	2.9	2.8
Health Care	4.8	4.3
Real Estate	0.3	0.2
Information Technology	5.7	5.2
Telecommunication Services	–	0.1
Utilities	0.8	0.5
<b>Mutual Funds</b>	64.5	66.1
<b>Other Assets less Liabilities</b>	(0.2)	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,795,575	–	–	1,795,575

  

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,722,713	–	–	1,722,713

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	13,591	162,810
Series AT5	845	12,525
Series F	1,923	24,086

  

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

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



# Sun Life BlackRock Canadian Balanced Class (Continued)

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	1,795,575	1,722,713
<b>Total financial assets at fair value through profit or loss</b>	<b>1,795,575</b>	<b>1,722,713</b>
<b>Financial assets at amortized cost</b>		
Cash	–	–
Other receivables	5,367	1,951
<b>Total financial assets at amortized cost</b>	<b>5,367</b>	<b>1,951</b>
<b>Total assets</b>	<b>1,800,942</b>	<b>1,724,664</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	20,599	2,612
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>20,599</b>	<b>2,612</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	68,898	77,478
<b>Total net gains (losses)</b>	<b>68,898</b>	<b>77,478</b>

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

# Sun Life BlackRock Canadian Composite Equity Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	10,930,207	7,649,844
Cash	–	1,534
Due from investment dealers	29,931	–
Accrued interest	–	–
Distributions receivable from underlying funds	–	196,700
Subscriptions receivable	9,798	440,112
	10,969,936	8,288,190
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	26,762	–
Accrued expenses	130	104
Redemptions payable	61,051	12,229
Distributions payable	–	9,340
Due to investment dealers	–	625,307
Management fees payable	1,121	738
Income tax payable	–	4,198
Total liabilities (excluding net assets attributable to holders of redeemable shares)	89,064	651,916
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	10,880,872	7,636,274
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,014,787	805,230
Series AT5	12,962	12,943
Series E	–	–
Series EF	–	–
Series F	27,735	24,279
Series I	9,707,062	6,501,099
Series O	118,326	292,723
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.36	11.37
Series AT5	14.05	14.41
Series E	–	–
Series EF	–	–
Series F	11.61	11.59
Series I	10.15	10.09
Series O	10.47	10.42

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	124	–
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	35,845	(908)
Change in unrealized appreciation (depreciation) in value of investments	(20,340)	202,055
<b>Net gains (losses) on investments</b>	15,629	201,147
<b>Total income (loss)</b>	15,629	201,147
<b>Expenses (note 5)</b>		
Management fees	5,343	1,362
Administration fees	717	206
Independent review committee fees	13	10
Total operating expenses	6,073	1,578
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	9,556	199,569
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	9,556	199,569
Income taxes	1,021	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	8,535	199,569
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(3,134)	24,070
Series AT5	21	1,007
Series E	–	(436)
Series EF	–	(152)
Series F	79	2,093
Series I	6,348	163,946
Series O	5,221	9,041
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	87,110	24,861
Series AT5	909	844
Series E	–	2,933
Series EF	–	1,017
Series F	2,293	1,848
Series I	830,008	187,366
Series O	23,246	9,408
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.04)	0.97
Series AT5	0.02	1.19
Series E	–	(0.15)
Series EF	–	(0.15)
Series F	0.03	1.13
Series I	0.01	0.88
Series O	0.22	0.96

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

# Sun Life BlackRock Canadian Composite Equity Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	805,230	212,630	12,943	10,794	–	25,496
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	(3,134)	24,070	21	1,007	–	(436)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	387,748	262,462	–	–	–	–
Redemption of redeemable shares	(175,388)	(75,490)	–	–	–	(25,059)
Reinvestment of distributions to holders of redeemable shares	1,261	1,808	348	365	–	1
Capitalized distributions	–	–	–	–	–	–
	213,621	188,780	348	365	–	(25,058)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(667)	(1,635)	(8)	(78)	–	–
From net investment income	–	(133)	(327)	(283)	–	(2)
Return of capital	(263)	–	(15)	–	–	–
	(930)	(1,768)	(350)	(361)	–	(2)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	209,557	211,082	19	1,011	–	(25,496)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>1,014,787</b>	<b>423,712</b>	<b>12,962</b>	<b>11,805</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,195	24,279	10,943	6,501,099	266,456
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(152)	79	2,093	6,348	163,946
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	3,376	9,043	3,541,811	3,489,293
Redemption of redeemable shares	–	(9,043)	–	–	(351,211)	(25,871)
Reinvestment of distributions to holders of redeemable shares	–	1	48	170	14,206	2,543
Capitalized distributions	–	–	–	–	–	–
	–	(9,042)	3,424	9,213	3,204,806	3,465,965
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(18)	(146)	(5,191)	(2,505)
From net investment income	–	(1)	–	(18)	–	–
Return of capital	–	–	(29)	–	–	–
	–	(1)	(47)	(164)	(5,191)	(2,505)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,195)	3,456	11,142	3,205,963	3,627,406
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>–</b>	<b>–</b>	<b>27,735</b>	<b>22,085</b>	<b>9,707,062</b>	<b>3,893,862</b>

	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)		
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	292,723	79,771	7,636,274	615,285		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	5,221	9,041	8,535	199,569		
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	37,747	75,000	3,970,682	3,835,798		
Redemption of redeemable shares	(217,365)	(421)	(743,964)	(135,884)		
Reinvestment of distributions to holders of redeemable shares	216	579	16,079	5,467		
Capitalized distributions	–	–	–	–		
	(179,402)	75,158	3,242,797	3,705,381		
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(216)	(579)	(6,100)	(4,943)		
From net investment income	–	–	(327)	(437)		
Return of capital	–	–	(307)	–		
	(216)	(579)	(6,734)	(5,380)		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(174,397)	83,620	3,244,598	3,899,570		
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>118,326</b>	<b>163,391</b>	<b>10,880,872</b>	<b>4,514,855</b>		
	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	70,890	21,745	899	831	–	2,933
Shares issued	33,611	25,490	–	–	–	–
Shares issued on reinvestment of distributions	105	187	24	27	–	–
Shares redeemed	(15,289)	(7,470)	–	–	–	(2,933)
<b>Balance – end of period</b>	<b>89,317</b>	<b>39,952</b>	<b>923</b>	<b>858</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,017	2,097	1,104	644,484	31,059
Shares issued	–	–	287	927	344,649	387,468
Shares issued on reinvestment of distributions	–	–	4	17	1,403	301
Shares redeemed	–	(1,017)	–	–	(34,225)	(2,866)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>2,388</b>	<b>2,048</b>	<b>956,311</b>	<b>415,962</b>
	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	28,113	8,998	746,483	67,687		
Shares issued	3,559	7,881	382,106	421,766		
Shares issued on reinvestment of distributions	21	66	1,557	598		
Shares redeemed	(20,393)	(45)	(69,907)	(14,331)		
<b>Balance – end of period</b>	<b>11,300</b>	<b>16,900</b>	<b>1,060,239</b>	<b>475,720</b>		

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

# Sun Life BlackRock Canadian Composite Equity Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	8,535	199,569
Adjustments for:		
Net realized (gain) loss on sale of investments	(35,845)	908
Change in unrealized (appreciation) depreciation in value of investments	20,340	(202,055)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(4,456,590)	(3,729,654)
Proceeds from sale of investments	536,494	100,047
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	196,700	16,408
Change in management fees payable	383	210
Change in other payables and accrued expenses	26	47
Change in income tax payable	(4,198)	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(3,734,155)</b>	<b>(3,614,520)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	5	49
Proceeds from redeemable shares issued	4,400,996	3,809,140
Redemption of redeemable shares	(695,142)	(136,220)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,705,859</b>	<b>3,672,969</b>
Net increase (decrease) in cash	(28,296)	58,449
Cash (bank indebtedness) at beginning of period	1,534	657
<b>Cash (bank indebtedness) at end of period</b>	<b>(26,762)</b>	<b>59,106</b>
Interest received	124	–
Income taxes paid	(5,219)	–
Interest paid	–	–

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

# Sun Life BlackRock Canadian Composite Equity Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	984,952	10,447,105	10,930,207	
		<b>10,447,105</b>	<b>10,930,207</b>	<b>100.45</b>
<b>Total Investments</b>		<b>10,447,105</b>	<b>10,930,207</b>	<b>100.45</b>
<b>Other Assets less Liabilities</b>			<b>(49,335)</b>	<b>(0.45)</b>
<b>Total Net Assets</b>			<b>10,880,872</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. 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 tables summarize the Underlying Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>June 30, 2017</b>		
United States Dollar	4,149	0.04
<b>Total</b>	<b>4,149</b>	<b>0.04</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>December 31, 2016</b>		
United States Dollar	2,548	0.03
<b>Total</b>	<b>2,548</b>	<b>0.03</b>

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$207 (\$127 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

##### iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in Canadian Equities. As at June 30, 2017, if the investments had increased or decreased by 5% with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$543,832 (\$382,491 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

# Sun Life BlackRock Canadian Composite Equity Class (Continued)

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Financials	34.3	34.9
Energy	19.3	20.7
Materials	11.5	11.9
Industrials	9.4	8.7
Consumer Discretionary	5.2	5.0
Telecommunication Services	4.8	4.8
Consumer Staples	3.8	3.8
Utilities	3.5	3.0
Real Estate	2.9	2.9
Information Technology	3.4	2.7
Health Care	0.6	0.5
<b>Other Assets less Liabilities</b>	1.3	1.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar

securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	10,930,207	–	–	10,930,207

  

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	7,649,844	–	–	7,649,844

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	15,827	179,822
Series AT5	923	12,962
Series F	2,101	24,399
Series I	1,048	10,636

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

# Sun Life BlackRock Canadian Composite Equity Class (Continued)

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	10,930,207	7,649,844
<b>Total financial assets at fair value through profit or loss</b>	<b>10,930,207</b>	<b>7,649,844</b>
<b>Financial assets at amortized cost</b>		
Cash	–	1,534
Other receivables	39,729	636,812
<b>Total financial assets at amortized cost</b>	<b>39,729</b>	<b>638,346</b>
<b>Total assets</b>	<b>10,969,936</b>	<b>8,288,190</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	89,064	651,916
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>89,064</b>	<b>651,916</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	15,629	201,147
<b>Total net gains (losses)</b>	<b>15,629</b>	<b>201,147</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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



# Sun Life BlackRock Canadian Equity Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	3,407,494	2,489,465
Cash	–	–
Due from investment dealers	–	66,124
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	–	66,205
	<b>3,407,494</b>	<b>2,621,794</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	41,206	4,380
Accrued expenses	76	90
Redemptions payable	4,659	66,913
Distributions payable	–	1,261
Due to investment dealers	4,419	64,022
Management fees payable	1,158	1,365
Income tax payable	–	414
Total liabilities (excluding net assets attributable to holders of redeemable shares)	51,518	138,445
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>3,355,976</b>	<b>2,483,349</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	595,035	538,757
Series AT5	13,733	13,294
Series AT8	36,160	176,154
Series E	–	–
Series EF	–	–
Series F	98,396	204,831
Series I	2,375,637	1,313,349
Series O	237,015	236,964
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.16	11.86
Series AT5	15.04	15.03
Series AT8	13.33	13.53
Series E	–	–
Series EF	–	–
Series F	12.71	12.33
Series I	10.48	10.12
Series O	11.47	11.09

Approved on behalf of the Board of Directors

"signed" Rick Headrick

Director

"signed" Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	129	38
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	37,513	(4,531)
Change in unrealized appreciation (depreciation) in value of investments	70,548	106,841
<b>Net gains (losses) on investments</b>	<b>108,190</b>	<b>102,348</b>
<b>Total income (loss)</b>	<b>108,190</b>	<b>102,348</b>
<b>Expenses (note 5)</b>		
Management fees	6,372	5,864
Administration fees	433	460
Independent review committee fees	9	9
Total operating expenses	6,814	6,333
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	101,376	96,015
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>101,376</b>	<b>96,015</b>
Income taxes	584	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>100,792</b>	<b>96,015</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	16,254	22,195
Series AT5	442	579
Series AT8	8,836	7,989
Series E	–	(470)
Series EF	–	(354)
Series F	7,965	3,811
Series I	57,822	36,959
Series O	9,473	25,306
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	46,183	45,743
Series AT5	898	829
Series AT8	10,170	12,904
Series E	–	1,267
Series EF	–	1,018
Series F	10,909	5,530
Series I	187,413	58,220
Series O	20,677	43,780
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.35	0.49
Series AT5	0.49	0.70
Series AT8	0.87	0.62
Series E	–	(0.37)
Series EF	–	(0.35)
Series F	0.73	0.69
Series I	0.31	0.63
Series O	0.46	0.58

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



# Sun Life BlackRock Canadian Equity Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series AT8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	538,757	514,444	13,294	11,728	176,154	172,769
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	16,254	22,195	442	579	8,836	7,989
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	199,325	14,615	–	–	3,890	–
Redemption of redeemable shares	(159,307)	(41,780)	–	–	(147,225)	–
Reinvestment of distributions to holders of redeemable shares	3,371	7,369	436	485	843	794
Capitalized distributions	–	–	–	–	–	–
	43,389	(19,796)	436	485	(142,492)	794
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(3,128)	(7,220)	(86)	(172)	(1,131)	(2,523)
From net investment income	–	(142)	(337)	(309)	(5,191)	(6,941)
Return of capital	(237)	–	(16)	–	(16)	–
	(3,365)	(7,362)	(439)	(481)	(6,338)	(9,464)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	56,278	(4,963)	439	583	(139,994)	(681)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>595,035</b>	<b>509,481</b>	<b>13,733</b>	<b>12,311</b>	<b>36,160</b>	<b>172,088</b>

  

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	12,257	–	9,469	204,831	53,566
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(470)	–	(354)	7,965	3,811
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	–	–	11	9,115
Redemption of redeemable shares	–	(11,786)	–	(9,115)	(114,405)	–
Reinvestment of distributions to holders of redeemable shares	–	1	–	1	1,394	964
Capitalized distributions	–	–	–	–	–	–
	–	(11,785)	–	(9,114)	(113,000)	10,079
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	(1,326)	(928)
From net investment income	–	(2)	–	(1)	–	(27)
Return of capital	–	–	–	–	(74)	–
	–	(2)	–	(1)	(1,400)	(955)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(12,257)	–	(9,469)	(106,435)	12,935
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	–	–	<b>98,396</b>	<b>66,501</b>

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,313,349	380,503	236,964	422,313	2,483,349	1,577,049
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	57,822	36,959	9,473	25,306	100,792	96,015
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,129,723	230,614	(6,609)	21,450	1,326,340	275,794
Redemption of redeemable shares	(126,517)	(9,340)	(2,684)	(1,913)	(550,138)	(73,934)
Reinvestment of distributions to holders of redeemable shares	12,815	6,959	1,351	6,321	20,210	22,894
Capitalized distributions	–	–	–	–	–	–
	1,016,021	228,233	(7,942)	25,858	796,412	224,754
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(11,555)	(6,960)	(1,480)	(6,321)	(18,706)	(24,124)
From net investment income	–	–	–	–	(5,528)	(7,422)
Return of capital	–	–	–	–	(343)	–
	(11,555)	(6,960)	(1,480)	(6,321)	(24,577)	(31,546)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,062,288	258,232	51	44,843	872,627	289,223
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>2,375,637</b>	<b>638,735</b>	<b>237,015</b>	<b>467,156</b>	<b>3,355,976</b>	<b>1,866,272</b>

  

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series AT8	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	45,434	47,385	884	811	13,023	12,875
Shares issued	16,352	1,392	–	–	282	–
Shares issued on reinvestment of distributions	275	709	29	35	62	61
Shares redeemed	(13,133)	(4,043)	–	–	(10,654)	–
<b>Balance – end of period</b>	<b>48,928</b>	<b>45,443</b>	<b>913</b>	<b>846</b>	<b>2,713</b>	<b>12,936</b>

  

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,267	–	1,018	16,617	4,799
Shares issued	–	–	–	–	2	849
Shares issued on reinvestment of distributions	–	–	–	–	110	90
Shares redeemed	–	(1,267)	–	(1,018)	(8,989)	–
<b>Balance – end of period</b>	–	–	–	–	<b>7,740</b>	<b>5,738</b>

  

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	129,759	41,811	21,369	42,321	227,086	152,287
Shares issued	108,117	25,780	(595)	2,152	124,158	30,173
Shares issued on reinvestment of distributions	1,244	797	119	661	1,839	2,353
Shares redeemed	(11,963)	(1,034)	(237)	(190)	(44,976)	(7,552)
<b>Balance – end of period</b>	<b>227,157</b>	<b>67,354</b>	<b>20,656</b>	<b>44,944</b>	<b>308,107</b>	<b>177,261</b>

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

# Sun Life BlackRock Canadian Equity Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	100,792	96,015
Adjustments for:		
Net realized (gain) loss on sale of investments	(37,513)	4,531
Change in unrealized (appreciation) depreciation in value of investments	(70,548)	(106,841)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(1,365,256)	(258,102)
Proceeds from sale of investments	561,809	54,796
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	(207)	885
Change in other payables and accrued expenses	(14)	83
Change in income tax payable	(414)	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(811,351)</b>	<b>(208,633)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(5,628)	(8,653)
Proceeds from redeemable shares issued	1,392,545	292,271
Redemption of redeemable shares	(612,392)	(72,640)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>774,525</b>	<b>210,978</b>
Net increase (decrease) in cash	(36,826)	2,345
Cash (bank indebtedness) at beginning of period	(4,380)	(3,821)
<b>Cash (bank indebtedness) at end of period</b>	<b>(41,206)</b>	<b>(1,476)</b>
Interest received	129	38
Income taxes paid	(998)	–
Interest paid	–	–

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

# Sun Life BlackRock Canadian Equity Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Equity Fund, Series I	252,368	3,202,895	3,407,494	
		<b>3,202,895</b>	<b>3,407,494</b>	<b>101.54</b>
<b>Total Investments</b>		<b>3,202,895</b>	<b>3,407,494</b>	<b>101.54</b>
<b>Other Assets less Liabilities</b>			<b>(51,518)</b>	<b>(1.54)</b>
<b>Total Net Assets</b>			<b>3,355,976</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

The Underlying Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets June 30, 2017
AAA/Aaa	0.13
A/A	—
<b>Total</b>	<b>0.13</b>

Rating	As a % of Net Assets December 31, 2016
AAA/Aaa	—
A/A	0.03
<b>Total</b>	<b>0.03</b>

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

#### (b) Market risk

##### i) Currency risk

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

The following tables summarize the Underlying Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	881	0.03
<b>Total</b>	<b>881</b>	<b>0.03</b>

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

# Sun Life BlackRock Canadian Equity Class (Continued)

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2016	
United States Dollar	580	0.02
<b>Total</b>	<b>580</b>	<b>0.02</b>

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$44 (\$29 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## ii) Interest rate risk

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

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equity securities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$115,532 (\$87,016 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Underlying Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Energy	13.3	14.4
Materials	7.9	8.3
Industrials	9.9	9.6
Consumer Discretionary	9.0	8.4
Consumer Staples	7.4	7.1
Health Care	8.0	7.2
Financials	23.7	24.4
Information Technology	11.8	10.7
Real Estate	2.3	2.6
Telecommunication Services	3.3	3.3
Utilities	3.4	3.0
Other Assets less Liabilities	—	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

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

# Sun Life BlackRock Canadian Equity Class (Continued)

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	3,407,494	–	–	3,407,494

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	2,489,465	–	–	2,489,465

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	14,533	176,495
Series AT5	913	13,714
Series AT8	1,030	13,712
Series F	2,017	25,605
Series I	1,060	11,090

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	3,407,494	2,489,465
<b>Total financial assets at fair value through profit or loss</b>	<b>3,407,494</b>	<b>2,489,465</b>
<b>Financial assets at amortized cost</b>		
Cash	–	–
Other receivables	–	132,329
<b>Total financial assets at amortized cost</b>	<b>–</b>	<b>132,329</b>
<b>Total assets</b>	<b>3,407,494</b>	<b>2,621,794</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	51,518	138,445
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>51,518</b>	<b>138,445</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	108,190	102,348
<b>Total net gains (losses)</b>	<b>108,190</b>	<b>102,348</b>

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

# Sun Life BlackRock Canadian Equity Class (Continued)

## Establishment of the Fund

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

	<b>Date of creation</b>	<b>Date available for sale</b>
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Dynamic Equity Income Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	10,702,166	6,607,339
Cash	232,636	56,248
Due from investment dealers	—	1,462
Accrued interest	—	—
Distributions receivable from underlying funds	34,399	—
Subscriptions receivable	189,149	335
	11,158,350	6,665,384
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	—	—
Accrued expenses	769	493
Redemptions payable	13,692	12,176
Distributions payable	—	12
Due to investment dealers	239,805	39,016
Management fees payable	7,239	4,240
Income tax payable	—	—
Total liabilities (excluding net assets attributable to holders of redeemable shares)	261,505	55,937
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	10,896,845	6,609,447
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	2,285,826	1,385,473
Series AT5	1,237,100	1,172,403
Series E	—	—
Series EF	—	—
Series F	356,682	119,986
Series I	6,338,631	3,159,828
Series O	678,606	771,757
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.06	11.42
Series AT5	14.89	14.43
Series E	—	—
Series EF	—	—
Series F	12.56	11.82
Series I	11.15	10.44
Series O	11.80	11.06

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	70	38
Distributions from underlying funds	191,288	49,166
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	95,259	(2,176)
Change in unrealized appreciation (depreciation) in value of investments	331,850	125,437
<b>Net gains (losses) on investments</b>	618,467	172,465
<b>Total income (loss)</b>	618,467	172,465
<b>Expenses (note 5)</b>		
Management fees	32,467	9,334
Administration fees	3,615	1,138
Independent review committee fees	41	10
Total operating expenses	36,123	10,482
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	582,344	161,983
<b>Finance Cost</b>		
Interest expense	—	—
<b>Net income (loss) before income taxes</b>	582,344	161,983
Income taxes	—	—
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	582,344	161,983
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	109,038	63,386
Series AT5	71,653	5,775
Series E	—	(2,827)
Series EF	—	(73)
Series F	15,799	7,048
Series I	334,343	62,284
Series O	51,511	26,390
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	174,356	77,776
Series AT5	82,529	5,725
Series E	—	19,314
Series EF	—	1,050
Series F	23,269	7,968
Series I	466,874	69,218
Series O	64,719	32,444
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.63	0.81
Series AT5	0.87	1.01
Series E	—	(0.15)
Series EF	—	(0.07)
Series F	0.68	0.88
Series I	0.72	0.90
Series O	0.80	0.81

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



# Sun Life Dynamic Equity Income Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,385,473	688,388	1,172,403	79,899	–	198,892
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	109,038	63,386	71,653	5,775	–	(2,827)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,167,414	369,773	39,978	1,405	–	–
Redemption of redeemable shares	(376,142)	(223,514)	(45,908)	(5,284)	–	(196,051)
Reinvestment of distributions to holders of redeemable shares	7,840	8,605	33,597	1,994	–	12
Capitalized distributions	–	–	–	–	–	–
	799,112	154,864	27,667	(1,885)	–	(196,039)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(7,315)	(8,577)	(4,422)	(809)	–	–
From net investment income	(482)	(210)	(30,201)	(1,995)	–	(26)
Return of capital	–	–	–	–	–	–
	(7,797)	(8,787)	(34,623)	(2,804)	–	(26)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	900,353	209,463	64,697	1,086	–	(198,892)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>2,285,826</b>	<b>897,851</b>	<b>1,237,100</b>	<b>80,985</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,971	119,986	76,647	3,159,828	407,266
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(73)	15,799	7,048	334,343	62,284
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	249,775	11,198	3,917,118	1,683,835
Redemption of redeemable shares	–	(9,898)	(28,887)	(175)	(1,072,668)	(25,861)
Reinvestment of distributions to holders of redeemable shares	–	1	1,033	914	17,900	4,983
Capitalized distributions	–	–	–	–	–	–
	–	(9,897)	221,921	11,937	2,862,350	1,662,957
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(971)	(879)	(17,890)	(4,970)
From net investment income	–	(1)	(53)	(25)	–	–
Return of capital	–	–	–	–	–	–
	–	(1)	(1,024)	(904)	(17,890)	(4,970)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,971)	236,696	18,081	3,178,803	1,720,271
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	<b>356,682</b>	<b>94,728</b>	<b>6,338,631</b>	<b>2,127,537</b>

	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	771,757	309,041	6,609,447	1,770,104
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	51,511	26,390	582,344	161,983
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	122,631	81,630	5,496,916	2,147,841
Redemption of redeemable shares	(267,293)	(22,047)	(1,790,898)	(482,830)
Reinvestment of distributions to holders of redeemable shares	2,967	3,104	63,337	19,613
Capitalized distributions	–	–	–	–
	(141,695)	62,687	3,769,355	1,684,624
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(2,967)	(3,104)	(33,565)	(18,339)
From net investment income	–	–	(30,736)	(2,257)
Return of capital	–	–	–	–
	(2,967)	(3,104)	(64,301)	(20,596)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(93,151)	85,973	4,287,398	1,826,011
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>678,606</b>	<b>395,014</b>	<b>10,896,845</b>	<b>3,596,115</b>
	2017	2016	2017	2016
	Series A		Series AT5	Series E
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	121,354	65,466	81,238	5,729
Shares issued	98,510	34,797	2,670	100
Shares issued on reinvestment of distributions	655	827	2,263	142
Shares redeemed	(31,035)	(20,729)	(3,064)	(370)
<b>Balance – end of period</b>	<b>189,484</b>	<b>80,361</b>	<b>83,107</b>	<b>5,601</b>
	2017	2016	2017	2016
	Series EF		Series F	Series I
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	–	1,050	10,155	7,125
Shares issued	–	–	20,445	1,045
Shares issued on reinvestment of distributions	–	–	83	86
Shares redeemed	–	(1,050)	(2,281)	(16)
<b>Balance – end of period</b>	–	–	<b>28,402</b>	<b>8,240</b>
	2017	2016	2017	2016
	Series O		Total	
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	69,778	30,935	585,266	174,172
Shares issued	10,410	7,720	494,070	213,029
Shares issued on reinvestment of distributions	259	314	4,916	1,904
Shares redeemed	(22,948)	(2,115)	(157,105)	(47,539)
<b>Balance – end of period</b>	<b>57,499</b>	<b>36,854</b>	<b>927,147</b>	<b>341,566</b>

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



# Sun Life Dynamic Equity Income Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	582,344	161,983
Adjustments for:		
Net realized (gain) loss on sale of investments	(95,259)	2,176
Change in unrealized (appreciation) depreciation in value of investments	(331,850)	(125,437)
Non-cash income distributions from underlying funds	(191,288)	(49,166)
Purchases of investments	(4,957,106)	(1,062,682)
Proceeds from sale of investments	1,682,927	185,085
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(34,399)	(12,414)
Change in management fees payable	2,999	1,460
Change in other payables and accrued expenses	276	196
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(3,341,356)</b>	<b>(898,799)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(976)	(998)
Proceeds from redeemable shares issued	5,308,102	1,389,111
Redemption of redeemable shares	(1,789,382)	(483,779)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,517,744</b>	<b>904,334</b>
Net increase (decrease) in cash	176,388	5,535
Cash (bank indebtedness) at beginning of period	56,248	(3,695)
<b>Cash (bank indebtedness) at end of period</b>	<b>232,636</b>	<b>1,840</b>
Interest received	70	38
Income taxes paid	-	-
Interest paid	-	-

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

# Sun Life Dynamic Equity Income Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Equity Income Fund, Series I	874,867	10,188,660	10,702,166	
		<b>10,188,660</b>	<b>10,702,166</b>	<b>98.21</b>
<b>Total Investments</b>		<b>10,188,660</b>	<b>10,702,166</b>	<b>98.21</b>
<b>Other Assets less Liabilities</b>			<b>194,679</b>	<b>1.79</b>
<b>Total Net Assets</b>			<b>10,896,845</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Financials	16.7	19.1
Industrials	10.9	11.2
Consumer Discretionary	8.5	10.5
Information Technology	7.9	8.7
Utilities	7.8	7.9
Health Care	7.0	5.2
Telecommunication Services	7.0	8.1
Real Estate	6.6	8.8
Energy Infrastructure	6.3	6.0
Consumer Staples	4.1	4.8
Private Equity – Real Estate	2.2	2.6
Materials	1.5	0.9
Energy	1.3	–
<b>Other Assets less Liabilities</b>	<b>12.4</b>	<b>6.2</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies 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 accompanying notes are an integral part of the financial statements.*

# Sun Life Dynamic Equity Income Class (Continued)

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	10,702,166	—	—	10,702,166

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

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

## 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 June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	4	44
Series AT5	—	—
Series F	0.49	6
Series I	1,105	12,316

  

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

### Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

# Sun Life Dynamic Equity Income Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	10,702,166	6,607,339
<b>Total financial assets at fair value through profit or loss</b>	<b>10,702,166</b>	<b>6,607,339</b>
<b>Financial assets at amortized cost</b>		
Cash	232,636	56,248
Other receivables	223,548	1,797
<b>Total financial assets at amortized cost</b>	<b>456,184</b>	<b>58,045</b>
<b>Total assets</b>	<b>11,158,350</b>	<b>6,665,384</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	261,505	55,937
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>261,505</b>	<b>55,937</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	618,467	172,465
<b>Total net gains (losses)</b>	<b>618,467</b>	<b>172,465</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Dynamic Strategic Yield Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	25,656,404	23,177,620
Cash	19,986	93,306
Due from investment dealers	23,393	200,765
Accrued interest	–	–
Distributions receivable from underlying funds	98,135	–
Subscriptions receivable	206,871	108,895
	26,004,789	23,580,586
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	–
Accrued expenses	3,155	2,964
Redemptions payable	12,109	–
Distributions payable	–	696
Due to investment dealers	328,810	142,439
Management fees payable	16,239	15,470
Income tax payable	–	11,293
Total liabilities (excluding net assets attributable to holders of redeemable shares)	360,313	172,862
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	25,644,476	23,407,724
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	7,350,500	7,288,188
Series AT5	498,911	382,820
Series E	–	–
Series EF	–	–
Series F	380,868	393,594
Series I	5,808,766	4,879,421
Series O	11,605,431	10,463,701
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	10.96	10.62
Series AT5	13.47	13.38
Series E	–	–
Series EF	–	–
Series F	11.44	11.03
Series I	10.22	9.80
Series O	10.67	10.23

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	87	398
Distributions from underlying funds	555,897	517,669
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	20,019	(33,761)
Change in unrealized appreciation (depreciation) in value of investments	390,967	(370,597)
<b>Net gains (losses) on investments</b>	966,970	113,709
<b>Total income (loss)</b>	966,970	113,709
<b>Expenses (note 5)</b>		
Management fees	82,965	89,021
Administration fees	15,919	16,024
Independent review committee fees	179	110
Total operating expenses	99,063	105,155
Expenses waived/absorbed by the Manager	–	–
<b>Operating Profit (Loss)</b>	867,907	8,554
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	867,907	8,554
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	867,907	8,554
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	224,025	(58)
Series AT5	17,094	(3,144)
Series E	–	(71,664)
Series EF	–	(218)
Series F	14,848	2,772
Series I	196,962	48,288
Series O	414,978	32,578
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	673,711	733,680
Series AT5	37,708	22,806
Series E	–	312,888
Series EF	–	1,037
Series F	33,170	22,032
Series I	505,150	236,901
Series O	1,001,888	1,038,947
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.33	–
Series AT5	0.45	(0.14)
Series E	–	(0.23)
Series EF	–	(0.21)
Series F	0.45	0.13
Series I	0.39	0.20
Series O	0.41	0.03

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

# Sun Life Dynamic Strategic Yield Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series AT5	Series AT5	Series E	Series E
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	7,288,188	5,285,640	382,820	333,404	–	3,134,409
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	224,025	(58)	17,094	(3,144)	–	(71,664)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,451,001	3,781,754	153,045	5,600	–	30,952
Redemption of redeemable shares	(1,612,779)	(1,055,031)	(45,320)	(3,102)	–	(3,093,499)
Reinvestment of distributions to holders of redeemable shares	1,295	421,463	4,156	4,842	–	174
Capitalized distributions	–	–	–	–	–	–
	(160,483)	3,148,186	111,881	7,340	–	(3,062,373)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	(428,237)	–	(16,592)	–	–
From net investment income	(1,230)	(1,009)	(12,884)	(8,508)	–	(372)
Return of capital	–	–	–	–	–	–
	(1,230)	(429,246)	(12,884)	(25,100)	–	(372)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	62,312	2,718,882	116,091	(20,904)	–	(3,134,409)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	7,350,500	8,004,522	498,911	312,500	–	–
	2017	2016	2017	2016	2017	2016
	Series EF	Series EF	Series F	Series F	Series I	Series I
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	10,007	393,594	160,760	4,879,421	1,279,306
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(218)	14,848	2,772	196,962	48,288
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	63,110	179,332	1,185,016	2,436,811
Redemption of redeemable shares	–	(9,789)	(90,682)	(756)	(453,294)	(414,299)
Reinvestment of distributions to holders of redeemable shares	–	1	77	9,057	661	82,928
Capitalized distributions	–	–	–	–	–	–
	–	(9,788)	(27,495)	187,633	732,383	2,105,440
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	(9,011)	–	(82,928)
From net investment income	–	(1)	(79)	(31)	–	–
Return of capital	–	–	–	–	–	–
	–	(1)	(79)	(9,042)	–	(82,928)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(10,007)	(12,726)	181,363	929,345	2,070,800
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	380,868	342,123	5,808,766	3,350,106

	2017	2016	2017	2016
	Series O	Series O	Total	Total
	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	10,463,701	10,355,303	23,407,724	20,558,829
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	414,978	32,578	867,907	8,554
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	1,434,212	1,066,969	4,286,384	7,501,418
Redemption of redeemable shares	(707,460)	(580,903)	(2,909,535)	(5,157,379)
Reinvestment of distributions to holders of redeemable shares	–	518,573	6,189	1,037,038
Capitalized distributions	–	–	–	–
	726,752	1,004,639	1,383,038	3,381,077
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	–	(518,573)	–	(1,055,341)
From net investment income	–	–	(14,193)	(9,921)
Return of capital	–	–	–	–
	–	(518,573)	(14,193)	(1,065,262)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,141,730	518,644	2,236,752	2,324,369
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	11,605,431	10,873,947	25,644,476	22,883,198
	2017	2016	2017	2016
	Series A	Series A	Series AT5	Series AT5
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	685,817	475,675	28,603	22,559
Shares issued	131,982	350,457	11,386	412
Shares issued on reinvestment of distributions	92	41,185	304	358
Shares redeemed	(147,124)	(101,568)	(3,245)	(232)
<b>Balance – end of period</b>	670,767	765,749	37,048	23,097
	2017	2016	2017	2016
	Series EF	Series EF	Series F	Series F
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	–	1,037	35,668	14,090
Shares issued	–	–	5,491	16,818
Shares issued on reinvestment of distributions	–	–	5	860
Shares redeemed	–	(1,037)	(7,880)	(71)
<b>Balance – end of period</b>	–	–	33,284	31,697
	2017	2016	2017	2016
	Series O	Series O	Total	Total
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	1,022,273	987,864	2,270,213	1,939,058
Shares issued	133,229	108,386	397,667	737,005
Shares issued on reinvestment of distributions	–	53,536	469	104,910
Shares redeemed	(67,359)	(58,440)	(270,780)	(517,644)
<b>Balance – end of period</b>	1,088,143	1,091,346	2,397,569	2,263,329

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

# Sun Life Dynamic Strategic Yield Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	867,907	8,554
Adjustments for:		
Net realized (gain) loss on sale of investments	(20,019)	33,761
Change in unrealized (appreciation) depreciation in value of investments	(390,967)	370,597
Non-cash income distributions from underlying funds	(555,897)	(517,669)
Purchases of investments	(3,081,922)	(3,380,420)
Proceeds from sale of investments	1,933,764	1,212,636
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(98,135)	(90,787)
Change in management fees payable	769	13,376
Change in other payables and accrued expenses	191	2,626
Change in income tax payable	(11,293)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,355,602)</b>	<b>(2,347,326)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(8,700)	(28,434)
Proceeds from redeemable shares issued	4,188,408	7,413,626
Redemption of redeemable shares	(2,897,426)	(5,101,430)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,282,282</b>	<b>2,283,762</b>
Net increase (decrease) in cash	(73,320)	(63,564)
Cash (bank indebtedness) at beginning of period	93,306	29,854
<b>Cash (bank indebtedness) at end of period</b>	<b>19,986</b>	<b>(33,710)</b>
Interest received	87	398
Income taxes paid	(11,293)	-
Interest paid	-	-

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



# Sun Life Dynamic Strategic Yield Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Strategic Yield Fund, Series I	2,327,576	25,476,042	25,656,404	
		<b>25,476,042</b>	<b>25,656,404</b>	<b>100.05</b>
<b>Total Investments</b>		<b>25,476,042</b>	<b>25,656,404</b>	<b>100.05</b>
<b>Other Assets less Liabilities</b>			<b>(11,928)</b>	<b>(0.05)</b>
<b>Total Net Assets</b>			<b>25,644,476</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Fund. As at June 30, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and

Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	1.57
AA/Aa	4.21
A/A	8.26
BBB/Bbb	6.20
BB/Ba	0.20
Not Rated	0.06
<b>Total</b>	<b>20.50</b>

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	1.12
AA/Aa	2.91
A/A	7.16
BBB/Bbb	6.18
BB/Ba	0.38
Not Rated	—
<b>Total</b>	<b>17.75</b>

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

#### (b) Market risk

##### i) Currency risk

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

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



# Sun Life Dynamic Strategic Yield Class (Continued)

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>June 30, 2017</b>		
United States Dollar	10,734,931	41.86
British Pound	289,337	1.13
Japanese Yen	16,272	0.06
Euro	(10,667)	(0.04)
<b>Total</b>	<b>11,029,873</b>	<b>43.01</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>December 31, 2016</b>		
United States Dollar	10,583,804	45.22
British Pound	(5,058)	(0.02)
Japanese Yen	–	–
Euro	49,554	0.21
<b>Total</b>	<b>10,628,300</b>	<b>45.41</b>

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$551,494 (\$531,415 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## ii) Interest rate risk

The Fund is exposed to interest rate risk as a result of its investment in the Underlying Fund. The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	<b>June 30, 2017 (\$)</b>
Less than 1 year	291,588
1-5 years	2,381,887
More than 5 years	2,085,883
<b>Total</b>	<b>4,759,358</b>

  

	<b>December 31, 2016 (\$)</b>
Less than 1 year	–
1-5 years	2,182,262
More than 5 years	1,957,870
<b>Total</b>	<b>4,140,132</b>

The Fund is exposed to interest rate risk as a result of its investment in the Underlying Fund. As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to

Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$232,165 (\$200,116 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in the Underlying Fund. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$692,347 (\$657,192 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

	<b>Percentage of Net Assets (%)</b>	
<b>Portfolio by Category</b>	<b>June 30, 2017</b>	<b>December 31, 2016</b>
<b>Short-Term Investments</b>		
Bearer Deposit Notes	–	–
<b>Bonds</b>		
Corporate Bonds	12.2	11.5
Foreign Bonds	6.4	6.4
<b>Equities</b>		
Energy	4.1	4.1
Materials	0.8	0.9
Industrials	5.8	3.8
Consumer Discretionary	4.0	5.0
Consumer Staples	3.5	4.0
Health Care	6.1	6.2
Financials	12.7	12.0
Real Estate	2.4	4.7
Information Technology	5.2	6.6
Telecommunication Services	4.8	5.1
Utilities	4.5	4.3
<b>Mutual Funds</b>		
Canadian Fixed Income	5.0	4.9
Global Equities	–	–
Income and Real Property	1.0	2.0
High Yield Fixed Income	5.1	5.1
<b>Other Assets less Liabilities</b>	16.4	13.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life Dynamic Strategic Yield Class (Continued)

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	25,656,404	—	—	25,656,404

  

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

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	934	10,689
Series I	1,099	11,234

  

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

# Sun Life Dynamic Strategic Yield Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	25,656,404	23,177,620
<b>Total financial assets at fair value through profit or loss</b>	<b>25,656,404</b>	<b>23,177,620</b>
<b>Financial assets at amortized cost</b>		
Cash	19,986	93,306
Other receivables	328,399	309,660
<b>Total financial assets at amortized cost</b>	<b>348,385</b>	<b>402,966</b>
<b>Total assets</b>	<b>26,004,789</b>	<b>23,580,586</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	360,313	172,862
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>360,313</b>	<b>172,862</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	966,970	113,709
<b>Total net gains (losses)</b>	<b>966,970</b>	<b>113,709</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Franklin Bissett Canadian Equity Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	6,435,025	4,202,588
Cash	–	101
Due from investment dealers	103,534	9,605
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	1,129	14,332
	<b>6,539,688</b>	<b>4,226,626</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	320	–
Accrued expenses	592	351
Redemptions payable	112,995	10,495
Distributions payable	–	225
Due to investment dealers	1,610	11,603
Management fees payable	2,398	1,580
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	117,915	24,254
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>6,421,773</b>	<b>4,202,372</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	922,819	735,512
Series AT5	13,050	10,889
Series E	–	–
Series F	420,460	74,486
Series I	4,832,139	3,290,808
Series O	233,305	90,677
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	10.58	10.48
Series AT5	14.14	14.34
Series E	–	–
Series F	10.87	10.69
Series I	11.19	10.93
Series O	11.14	10.90

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	1,477	–
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	231,947	(25,142)
Change in unrealized appreciation (depreciation) in value of investments	(100,667)	89,438
<b>Net gains (losses) on investments</b>	<b>132,757</b>	<b>64,296</b>
<b>Total income (loss)</b>	<b>132,757</b>	<b>64,296</b>
<b>Expenses (note 5)</b>		
Management fees	13,044	2,508
Administration fees	3,189	494
Independent review committee fees	17	5
Total operating expenses	16,250	3,007
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	116,507	61,289
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>116,507</b>	<b>61,289</b>
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>116,507</b>	<b>61,289</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	9,125	(4,431)
Series AT5	108	807
Series E	–	(149)
Series F	19,295	3,528
Series I	85,586	60,619
Series O	2,393	915
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	67,580	21,969
Series AT5	803	716
Series E	–	1,017
Series F	90,268	3,647
Series I	388,228	76,869
Series O	11,053	1,007
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.14	(0.20)
Series AT5	0.13	1.13
Series E	–	(0.15)
Series F	0.21	0.97
Series I	0.22	0.79
Series O	0.22	0.91

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

# Sun Life Franklin Bissett Canadian Equity Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	Series A (\$)	Series AT5 (\$)	Series AT5 (\$)	Series E (\$)	Series E (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	735,512	198,736	10,889	9,020	–	9,026
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	9,125	(4,431)	108	807	–	(149)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	707,167	531,110	2,056	–	–	–
Redemption of redeemable shares	(528,954)	(92,218)	–	–	–	(8,876)
Reinvestment of distributions to holders of redeemable shares	387	155	305	238	–	–
Capitalized distributions	–	–	–	–	–	–
	178,600	439,047	2,361	238	–	(8,876)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(123)	–	(3)	–	–	–
From net investment income	(295)	(91)	(305)	(236)	–	(1)
Return of capital	–	–	–	–	–	–
	(418)	(91)	(308)	(236)	–	(1)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	187,307	434,525	2,161	809	–	(9,026)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>922,819</b>	<b>633,261</b>	<b>13,050</b>	<b>9,829</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series F (\$)	Series F (\$)	Series I (\$)	Series I (\$)	Series O (\$)	Series O (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	74,486	9,099	3,290,808	580,796	90,677	9,103
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	19,295	3,528	85,586	60,619	2,393	915
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	2,422,774	52,500	1,788,011	919,456	141,376	–
Redemption of redeemable shares	(2,095,583)	–	(332,491)	(124,105)	(1,141)	(41)
Reinvestment of distributions to holders of redeemable shares	127	11	1,121	–	24	–
Capitalized distributions	–	–	–	–	–	–
	327,318	52,511	1,456,641	795,351	140,259	(41)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(540)	–	(896)	–	(24)	–
From net investment income	(99)	(8)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(639)	(8)	(896)	–	(24)	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	345,974	56,031	1,541,331	855,970	142,628	874
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>420,460</b>	<b>65,130</b>	<b>4,832,139</b>	<b>1,436,766</b>	<b>233,305</b>	<b>9,977</b>

	2017	2016
	Total (\$)	Total (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	4,202,372	815,780
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	116,507	61,289
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	5,061,384	1,503,066
Redemption of redeemable shares	(2,958,169)	(225,240)
Reinvestment of distributions to holders of redeemable shares	1,964	404
Capitalized distributions	–	–
	2,105,179	1,278,230
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(1,586)	–
From net investment income	(699)	(336)
Return of capital	–	–
	(2,285)	(336)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	2,219,401	1,339,183
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>6,421,773</b>	<b>2,154,963</b>

  

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series AT5	Series AT5	Series E	Series E
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	70,215	22,398	759	709	–	1,017
Shares issued	66,261	54,254	143	–	–	–
Shares issued on reinvestment of distributions	31	16	21	18	–	–
Shares redeemed	(49,321)	(11,096)	–	–	–	(1,017)
<b>Balance – end of period</b>	<b>87,186</b>	<b>65,572</b>	<b>923</b>	<b>727</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series I	Series I	Series O	Series O
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	6,970	1,017	300,962	64,259	8,319	1,008
Shares issued	226,637	5,630	160,600	93,819	12,723	–
Shares issued on reinvestment of distributions	10	1	102	–	2	–
Shares redeemed	(194,922)	–	(29,680)	(13,796)	(103)	(4)
<b>Balance – end of period</b>	<b>38,695</b>	<b>6,648</b>	<b>431,984</b>	<b>144,282</b>	<b>20,941</b>	<b>1,004</b>

  

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	387,225	90,408
Shares issued	466,364	153,703
Shares issued on reinvestment of distributions	166	35
Shares redeemed	(274,026)	(25,913)
<b>Balance – end of period</b>	<b>579,729</b>	<b>218,233</b>

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

# Sun Life Franklin Bissett Canadian Equity Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	116,507	61,289
Adjustments for:		
Net realized (gain) loss on sale of investments	(231,947)	25,142
Change in unrealized (appreciation) depreciation in value of investments	100,667	(89,438)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(6,893,760)	(1,406,954)
Proceeds from sale of investments	4,688,681	216,064
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	818	979
Change in other payables and accrued expenses	241	172
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,218,793)</b>	<b>(1,192,746)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(546)	68
Proceeds from redeemable shares issued	5,074,587	1,420,767
Redemption of redeemable shares	(2,855,669)	(225,816)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,218,372</b>	<b>1,195,019</b>
Net increase (decrease) in cash	(421)	2,273
Cash (bank indebtedness) at beginning of period	101	(481)
<b>Cash (bank indebtedness) at end of period</b>	<b>(320)</b>	<b>1,792</b>
Interest received	1,477	–
Income taxes paid	–	–
Interest paid	–	–

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

# Sun Life Franklin Bissett Canadian Equity Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Franklin Bissett Canadian Equity Fund, Series O	42,738	6,259,416	6,435,025	
		<b>6,259,416</b>	<b>6,435,025</b>	<b>100.21</b>
<b>Total Investments</b>		<b>6,259,416</b>	<b>6,435,025</b>	<b>100.21</b>
<b>Other Assets less Liabilities</b>			<b>(13,252)</b>	<b>(0.21)</b>
<b>Total Net Assets</b>			<b>6,421,773</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Mutual Funds</b>		
Canadian Equities	100.2	100.0
<b>Other Assets less Liabilities</b>	(0.2)	—
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

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



# Sun Life Franklin Bissett Canadian Equity Class (Continued)

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 cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	6,435,025	–	–	6,435,025

  

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	4,202,588	–	–	4,202,588

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed

money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

June 30, 2017		
	Units	Market Value (\$)
Series A	11,455	121,246
Series AT5	779	11,019
Series F	0.23	3
Series I	26,967	301,651
Series O	1,016	11,318

  

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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



# Sun Life Franklin Bissett Canadian Equity Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	6,435,025	4,202,588
<b>Total financial assets at fair value through profit or loss</b>	<b>6,435,025</b>	<b>4,202,588</b>
<b>Financial assets at amortized cost</b>		
Cash	–	101
Other receivables	104,663	23,937
<b>Total financial assets at amortized cost</b>	<b>104,663</b>	<b>24,038</b>
<b>Total assets</b>	<b>6,539,688</b>	<b>4,226,626</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	117,915	24,254
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>117,915</b>	<b>24,254</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	132,757	64,296
<b>Total net gains (losses)</b>	<b>132,757</b>	<b>64,296</b>

## Establishment of the Fund

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

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

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

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

# Sun Life Granite Balanced Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	107,012,715	84,512,156
Cash	1,220,601	145,280
Due from investment dealers	—	8,007
Accrued interest	—	—
Distributions receivable from underlying funds	—	—
Subscriptions receivable	1,111,901	317,620
	109,345,217	84,983,063
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	—	—
Accrued expenses	19,338	14,365
Redemptions payable	42,731	46,945
Distributions payable	—	1,870
Due to investment dealers	1,374,460	790,011
Management fees payable	106,297	77,152
Income tax payable	146,050	218,453
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,688,876	1,148,796
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	107,656,341	83,834,267
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	43,658,758	33,608,336
Series AT5	7,885,697	5,796,190
Series E	—	—
Series EF	—	—
Series F	14,226,151	9,104,050
Series O	41,885,735	35,325,691
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.20	11.88
Series AT5	15.01	15.00
Series E	—	—
Series EF	—	—
Series F	12.72	12.32
Series O	11.77	11.35

Approved on behalf of the Board of Directors

"signed" Rick Headrick  
Director

"signed" Paul Sergi  
Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	8,707	535
Distributions from underlying funds	—	—
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	129,344	(118,286)
Change in unrealized appreciation (depreciation) in value of investments	4,251,272	981,128
<b>Net gains (losses) on investments</b>	4,389,323	863,377
<b>Total income (loss)</b>	4,389,323	863,377
<b>Expenses (note 5)</b>		
Management fees	484,013	244,899
Administration fees	90,050	54,516
Independent review committee fees	897	233
Total operating expenses	574,960	299,648
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	3,814,363	563,729
<b>Finance Cost</b>		
Interest expense	—	—
<b>Net income (loss) before income taxes</b>	3,814,363	563,729
Income taxes	218,234	—
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	3,596,129	563,729
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	1,233,858	385,040
Series AT5	216,250	38,392
Series E	—	(336,322)
Series EF	—	(11,153)
Series F	383,261	71,183
Series O	1,762,760	416,589
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	3,113,624	1,651,473
Series AT5	457,013	230,779
Series E	—	862,356
Series EF	—	32,065
Series F	883,381	162,602
Series O	3,415,850	1,917,276
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.40	0.23
Series AT5	0.47	0.17
Series E	—	(0.39)
Series EF	—	(0.35)
Series F	0.43	0.44
Series O	0.52	0.22

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

# Sun Life Granite Balanced Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series AT5 (\$)	(\$)	Series E (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	33,608,336	10,960,533	5,796,190	2,742,000	–	9,257,736
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,233,858	385,040	216,250	38,392	–	(336,322)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	15,211,325	16,550,718	2,207,056	2,065,352	–	104,981
Redemption of redeemable shares	(6,396,593)	(4,629,170)	(188,823)	(316,123)	–	(9,025,516)
Reinvestment of distributions to holders of redeemable shares	339,891	532,190	91,964	63,583	–	743
Capitalized distributions	–	–	–	–	–	–
	9,154,623	12,453,738	2,110,197	1,812,812	–	(8,919,792)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(332,094)	(530,065)	(59,298)	(89,901)	–	–
From net investment income	(5,965)	(2,437)	(177,642)	(94,781)	–	(1,622)
Return of capital	–	–	–	–	–	–
	(338,059)	(532,502)	(236,940)	(184,682)	–	(1,622)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	10,050,422	12,306,276	2,089,507	1,666,522	–	(9,257,736)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>43,658,758</b>	<b>23,266,809</b>	<b>7,885,697</b>	<b>4,408,522</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF (\$)	(\$)	Series F (\$)	(\$)	Series O (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	317,323	9,104,050	690,748	35,325,691	17,749,122
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(11,153)	383,261	71,183	1,762,760	416,589
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	5,090,295	2,595,919	10,461,181	8,275,726
Redemption of redeemable shares	–	(306,156)	(347,075)	(246,550)	(5,663,897)	(1,296,792)
Reinvestment of distributions to holders of redeemable shares	–	11	91,413	37,365	356,652	534,351
Capitalized distributions	–	–	–	–	–	–
	–	(306,145)	4,834,633	2,386,734	5,153,936	7,513,285
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(91,979)	(37,516)	(356,652)	(533,452)
From net investment income	–	(25)	(3,814)	(258)	–	–
Return of capital	–	–	–	–	–	–
	–	(25)	(95,793)	(37,774)	(356,652)	(533,452)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(317,323)	5,122,101	2,420,143	6,560,044	7,396,422
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	<b>14,226,151</b>	<b>3,110,891</b>	<b>41,885,735</b>	<b>25,145,544</b>

	2017	2016
	Total (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	83,834,267	41,717,462
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	3,596,129	563,729
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	32,969,857	29,592,696
Redemption of redeemable shares	(12,596,388)	(15,820,307)
Reinvestment of distributions to holders of redeemable shares	879,920	1,168,243
Capitalized distributions	–	–
	21,253,389	14,940,632
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(840,023)	(1,190,934)
From net investment income	(187,421)	(99,123)
Return of capital	–	–
	(1,027,444)	(1,290,057)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	23,822,074	14,214,304
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>107,656,341</b>	<b>55,931,766</b>

  

	2017	2016	2017	2016	2017	2016
	Series A	Series AT5	Series E			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	2,829,126	922,383	386,600	173,431	–	860,950
Shares issued	1,246,344	1,446,611	144,963	136,829	–	9,870
Shares issued on reinvestment of distributions	28,210	47,919	6,087	4,293	–	70
Shares redeemed	(525,216)	(406,085)	(12,458)	(20,485)	–	(870,890)
<b>Balance – end of period</b>	<b>3,578,464</b>	<b>2,010,828</b>	<b>525,192</b>	<b>294,068</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF	Series F	Series O			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	32,097	739,336	56,691	3,113,473	1,595,279
Shares issued	–	–	399,383	221,791	899,567	771,628
Shares issued on reinvestment of distributions	–	1	7,258	3,275	31,040	51,222
Shares redeemed	–	(32,098)	(27,198)	(20,974)	(484,680)	(120,118)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>1,118,779</b>	<b>260,783</b>	<b>3,559,400</b>	<b>2,298,011</b>

  

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	7,068,535	3,640,831
Shares issued	2,690,257	2,586,729
Shares issued on reinvestment of distributions	72,595	106,780
Shares redeemed	(1,049,552)	(1,470,650)
<b>Balance – end of period</b>	<b>8,781,835</b>	<b>4,863,690</b>

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

# Sun Life Granite Balanced Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	3,596,129	563,729
Adjustments for:		
Net realized (gain) loss on sale of investments	(129,344)	118,286
Change in unrealized (appreciation) depreciation in value of investments	(4,251,272)	(981,128)
Non-cash income distributions from underlying funds	—	—
Purchases of investments	(22,142,307)	(15,568,008)
Proceeds from sale of investments	4,614,820	2,730,525
Change in accrued interest	—	911
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	29,145	44,827
Change in other payables and accrued expenses	4,973	8,473
Change in income tax payable	(72,403)	(93,925)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(18,350,259)</b>	<b>(13,176,310)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(149,394)	(124,175)
Proceeds from redeemable shares issued	32,175,576	29,582,679
Redemption of redeemable shares	(12,600,602)	(15,822,232)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>19,425,580</b>	<b>13,636,272</b>
Net increase (decrease) in cash	1,075,321	459,962
Cash (bank indebtedness) at beginning of period	145,280	(393,805)
<b>Cash (bank indebtedness) at end of period</b>	<b>1,220,601</b>	<b>66,157</b>
Interest received	8,707	1,446
Income taxes paid	(290,637)	—
Interest paid	—	—

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

# Sun Life Granite Balanced Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	7,835,397	102,804,107	107,012,715	
		<b>102,804,107</b>	<b>107,012,715</b>	<b>99.40</b>
<b>Total Investments</b>		<b>102,804,107</b>	<b>107,012,715</b>	<b>99.40</b>
<b>Other Assets less Liabilities</b>			<b>643,626</b>	<b>0.60</b>
<b>Total Net Assets</b>			<b>107,656,341</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Exchange-Traded Funds</b>		
U.S. Equities	12.0	10.0
<b>Mutual Funds</b>		
Canadian Fixed Income	21.3	22.8
International Equities	16.2	13.7
Tactical Balanced	10.2	13.7
Canadian Equities	14.1	11.3
U.S. Equities	4.3	4.9
High Yield Fixed Income	5.0	4.8
Global Fixed Income	3.1	4.2
Global Equities	2.0	3.9
Canadian Focused Equities	2.1	2.7
Real Estate Equities	2.7	1.8
Emerging Markets Equities	2.1	1.8
U.S. Small/Mid Cap Equities	1.2	1.6
Energy Equities	1.7	1.5
Global Small/Mid Cap Equities	0.6	1.0
Canadian Small/Mid Cap Equities	0.6	0.5
Canadian Money Market	–	0.3
<b>Other Assets less Liabilities</b>	<b>0.8</b>	<b>(0.5)</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life Granite Balanced Class (Continued)

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	107,012,715	–	–	107,012,715

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.20	3

  

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

## Interest in Underlying Portfolio

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Balanced Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	107,012,715	84,512,156
<b>Total financial assets at fair value through profit or loss</b>	<b>107,012,715</b>	<b>84,512,156</b>
<b>Financial assets at amortized cost</b>		
Cash	1,220,601	145,280
Other receivables	1,111,901	325,627
<b>Total financial assets at amortized cost</b>	<b>2,332,502</b>	<b>470,907</b>
<b>Total assets</b>	<b>109,345,217</b>	<b>84,983,063</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	1,688,876	1,148,796
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>1,688,876</b>	<b>1,148,796</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	4,389,323	863,377
<b>Total net gains (losses)</b>	<b>4,389,323</b>	<b>863,377</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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



# Sun Life Granite Balanced Growth Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	58,344,495	47,892,059
Cash	440,873	–
Due from investment dealers	5,550	88,998
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	179,692	5,472
	58,970,610	47,986,529
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	92,585
Accrued expenses	10,473	8,252
Redemptions payable	21,556	–
Distributions payable	–	28
Due to investment dealers	1,305,988	29,374
Management fees payable	55,642	40,088
Income tax payable	89,287	141,726
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,482,946	312,053
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	57,487,664	47,674,476
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	21,636,794	16,699,926
Series AT5	1,025,310	718,531
Series AT8	2,937,681	2,686,198
Series E	–	–
Series EF	–	–
Series F	6,210,332	3,314,677
Series O	25,677,547	24,255,144
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.40	12.07
Series AT5	15.30	15.27
Series AT8	13.54	13.72
Series E	–	–
Series EF	–	–
Series F	12.93	12.51
Series O	11.86	11.43

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	556	21
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	332,889	(139,329)
Change in unrealized appreciation (depreciation) in value of investments	2,247,453	501,546
<b>Net gains (losses) on investments</b>	2,580,898	362,238
<b>Total income (loss)</b>	2,580,898	362,238
<b>Expenses (note 5)</b>		
Management fees	251,642	127,168
Administration fees	49,814	28,683
Independent review committee fees	496	156
Total operating expenses	301,952	156,007
Expenses waived/absorbed by the Manager	–	–
<b>Operating Profit (Loss)</b>	2,278,946	206,231
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	2,278,946	206,231
Income taxes	125,242	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	2,153,704	206,231
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	623,680	204,556
Series AT5	29,964	(2,095)
Series AT8	124,527	(175)
Series E	–	(170,805)
Series EF	–	(410)
Series F	162,794	12,961
Series O	1,212,739	162,199
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	1,562,922	792,546
Series AT5	57,204	40,735
Series AT8	223,896	104,603
Series E	–	367,061
Series EF	–	1,006
Series F	340,185	137,631
Series O	2,142,398	1,569,379
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.40	0.26
Series AT5	0.52	(0.05)
Series AT8	0.56	–
Series E	–	(0.47)
Series EF	–	(0.41)
Series F	0.48	0.09
Series O	0.57	0.10

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

# Sun Life Granite Balanced Growth Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series AT5 (\$)	(\$)	Series AT8 (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	16,699,926	5,027,679	718,531	642,434	2,686,198	1,547,135
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	623,680	204,556	29,964	(2,095)	124,527	(175)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	7,064,656	7,140,498	296,992	80,170	707,675	1,044,140
Redemption of redeemable shares	(2,751,382)	(946,013)	(8,922)	(101,248)	(488,707)	(978,109)
Reinvestment of distributions to holders of redeemable shares	204,615	349,307	19,870	30,839	64,237	16,100
Capitalized distributions	—	—	—	—	—	—
	4,517,889	6,543,792	307,940	9,761	283,205	82,131
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(200,964)	(356,245)	(8,168)	(24,899)	(32,506)	(42,344)
From net investment income	(3,737)	(1,311)	(22,957)	(16,605)	(123,743)	(63,348)
Return of capital	—	—	—	—	—	—
	(204,701)	(357,556)	(31,125)	(41,504)	(156,249)	(105,692)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	4,936,868	6,390,792	306,779	(33,838)	251,483	(23,736)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>21,636,794</b>	<b>11,418,471</b>	<b>1,025,310</b>	<b>608,596</b>	<b>2,937,681</b>	<b>1,523,399</b>
	2017	2016	2017	2016	2017	2016
	Series E (\$)	(\$)	Series EF (\$)	(\$)	Series F (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	—	4,073,887	—	9,923	3,314,677	1,451,268
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	—	(170,805)	—	(410)	162,794	12,961
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	—	13,150	—	—	2,857,118	1,194,183
Redemption of redeemable shares	—	(3,915,987)	—	(9,513)	(117,329)	(417,996)
Reinvestment of distributions to holders of redeemable shares	—	203	—	1	38,489	57,936
Capitalized distributions	—	—	—	—	—	—
	—	(3,902,634)	—	(9,512)	2,778,278	834,123
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	—	—	—	—	(44,551)	(57,628)
From net investment income	—	(448)	—	(1)	(866)	(197)
Return of capital	—	—	—	—	—	—
	—	(448)	—	(1)	(45,417)	(57,825)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	—	(4,073,887)	—	(9,923)	2,895,655	789,259
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	—	—	—	—	<b>6,210,332</b>	<b>2,240,527</b>

	2017	2016	2017	2016	2017	2016
	Series O (\$)	(\$)	Total (\$)	Total (\$)	Series O (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	24,255,144	17,078,295	47,674,476	29,830,621		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,212,739	162,199	2,153,704	206,231		
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	3,842,668	4,534,747	14,769,109	14,006,888		
Redemption of redeemable shares	(3,633,006)	(2,222,660)	(6,999,346)	(8,591,526)		
Reinvestment of distributions to holders of redeemable shares	279,359	588,812	606,570	1,043,198		
Capitalized distributions	—	—	—	—		
	489,021	2,900,899	8,376,333	6,458,560		
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(279,357)	(588,812)	(565,546)	(1,069,928)		
From net investment income	—	—	(151,303)	(81,910)		
Return of capital	—	—	—	—		
	(279,357)	(588,812)	(716,849)	(1,151,838)		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,422,403	2,474,286	9,813,188	5,512,953		
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>25,677,547</b>	<b>19,552,581</b>	<b>57,487,664</b>	<b>35,343,574</b>		
	2017	2016	2017	2016	2017	2016
	Series A	Series AT5	Series AT8	Series AT8	Series A	Series AT5
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	1,384,811	412,776	47,098	39,572	195,952	102,567
Shares issued	566,129	614,888	19,192	5,224	51,555	74,845
Shares issued on reinvestment of distributions	16,725	31,181	1,290	2,063	4,657	1,163
Shares redeemed	(222,810)	(82,332)	(573)	(6,772)	(35,220)	(68,770)
<b>Balance – end of period</b>	<b>1,744,855</b>	<b>976,513</b>	<b>67,007</b>	<b>40,087</b>	<b>216,944</b>	<b>109,805</b>
	2017	2016	2017	2016	2017	2016
	Series E	Series EF	Series F	Series F	Series E	Series EF
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	—	372,789	—	1,006	265,085	116,129
Shares issued	—	1,252	—	—	221,492	99,833
Shares issued on reinvestment of distributions	—	19	—	—	3,024	5,032
Shares redeemed	—	(374,060)	—	(1,006)	(9,142)	(35,223)
<b>Balance – end of period</b>	—	—	—	—	<b>480,459</b>	<b>185,771</b>
	2017	2016	2017	2016	2017	2016
	Series O	Total	Series O	Total	Series O	Total
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	2,123,592	1,511,112	4,016,538	2,555,951		
Shares issued	326,030	420,908	1,184,398	1,216,950		
Shares issued on reinvestment of distributions	24,156	56,450	49,852	95,908		
Shares redeemed	(309,256)	(205,007)	(577,001)	(773,170)		
<b>Balance – end of period</b>	<b>2,164,522</b>	<b>1,783,463</b>	<b>4,673,787</b>	<b>3,095,639</b>		

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

# Sun Life Granite Balanced Growth Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,153,704	206,231
Adjustments for:		
Net realized (gain) loss on sale of investments	(332,889)	139,329
Change in unrealized (appreciation) depreciation in value of investments	(2,247,453)	(501,546)
Non-cash income distributions from underlying funds	—	—
Purchases of investments	(20,100,835)	(7,945,374)
Proceeds from sale of investments	13,588,803	2,990,355
Change in accrued interest	—	—
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	15,554	22,509
Change in other payables and accrued expenses	2,221	5,916
Change in income tax payable	(52,439)	(67,730)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(6,973,334)</b>	<b>(5,150,310)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(110,307)	(108,640)
Proceeds from redeemable shares issued	14,594,889	14,005,322
Redemption of redeemable shares	(6,977,790)	(8,558,426)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>7,506,792</b>	<b>5,338,256</b>
Net increase (decrease) in cash	533,458	187,946
Cash (bank indebtedness) at beginning of period	(92,585)	(112,081)
<b>Cash (bank indebtedness) at end of period</b>	<b>440,873</b>	<b>75,865</b>
Interest received	556	21
Income taxes paid	(177,681)	—
Interest paid	—	—

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

# Sun Life Granite Balanced Growth Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	4,047,653	56,164,523	58,344,495	
		<b>56,164,523</b>	<b>58,344,495</b>	<b>101.49</b>
<b>Total Investments</b>		<b>56,164,523</b>	<b>58,344,495</b>	<b>101.49</b>
<b>Other Assets less Liabilities</b>			<b>(856,831)</b>	<b>(1.49)</b>
<b>Total Net Assets</b>			<b>57,487,664</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Exchange-Traded Funds</b>		
U.S. Equities	14.1	11.4
<b>Mutual Funds</b>		
Canadian Fixed Income	15.6	18.5
International Equities	19.4	15.0
Tactical Balanced	9.9	13.3
Canadian Equities	16.3	12.5
U.S. Equities	5.0	5.4
Global Equities	2.2	4.9
High Yield Fixed Income	3.3	3.8
Canadian Focused Equities	2.4	3.0
Global Fixed Income	1.4	3.0
Emerging Markets Equities	2.8	2.2
U.S. Small/Mid Cap Equities	1.4	1.9
Real Estate Equities	3.9	1.8
Energy Equities	1.9	1.5
Global Small/Mid Cap Equities	0.9	1.2
Canadian Small/Mid Cap Equities	0.6	0.8
Canadian Money Market	–	–
<b>Other Assets less Liabilities</b>	<b>(1.1)</b>	<b>(0.2)</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active

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

# Sun Life Granite Balanced Growth Class (Continued)

markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	58,344,495	—	—	58,344,495

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.20	3

  

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

## Interest in Underlying Portfolio

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Balanced Growth Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	58,344,495	47,892,059
<b>Total financial assets at fair value through profit or loss</b>	<b>58,344,495</b>	<b>47,892,059</b>
<b>Financial assets at amortized cost</b>		
Cash	440,873	–
Other receivables	185,242	94,470
<b>Total financial assets at amortized cost</b>	<b>626,115</b>	<b>94,470</b>
<b>Total assets</b>	<b>58,970,610</b>	<b>47,986,529</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	1,482,946	312,053
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>1,482,946</b>	<b>312,053</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading		–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,580,898	362,238
<b>Total net gains (losses)</b>	<b>2,580,898</b>	<b>362,238</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Granite Conservative Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	168,011,503	126,477,470
Cash	456,103	337,302
Due from investment dealers	—	847
Accrued interest	—	—
Distributions receivable from underlying funds	—	—
Subscriptions receivable	2,091,222	214,131
	<b>170,558,828</b>	<b>127,029,750</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	—	—
Accrued expenses	29,884	21,640
Redemptions payable	104,130	43,112
Distributions payable	—	116
Due to investment dealers	2,383,030	281,275
Management fees payable	126,195	95,786
Income tax payable	329,147	530,713
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>2,972,386</b>	<b>972,642</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>167,586,442</b>	<b>126,057,108</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	68,906,614	56,150,773
Series AT5	4,981,637	3,979,509
Series E	—	—
Series EF	—	—
Series F	11,168,286	6,310,069
Series O	82,529,905	59,616,757
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.45	11.22
Series AT5	14.09	14.16
Series E	—	—
Series EF	—	—
Series F	11.82	11.53
Series O	11.37	11.05

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	1,191	8,304
Distributions from underlying funds	—	—
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	125,814	(124,011)
Change in unrealized appreciation (depreciation) in value of investments	4,974,030	2,341,669
<b>Net gains (losses) on investments</b>	<b>5,101,035</b>	<b>2,225,962</b>
<b>Total income (loss)</b>	<b>5,101,035</b>	<b>2,225,962</b>
<b>Expenses (note 5)</b>		
Management fees	570,659	356,678
Administration fees	133,806	85,914
Independent review committee fees	1,335	461
Total operating expenses	705,800	443,053
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	4,395,235	1,782,909
<b>Finance Cost</b>		
Interest expense	—	—
<b>Net income (loss) before income taxes</b>	<b>4,395,235</b>	<b>1,782,909</b>
Income taxes	453,434	—
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,941,801</b>	<b>1,782,909</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	1,525,778	918,103
Series AT5	115,734	30,778
Series E	—	(279,609)
Series EF	—	(3,568)
Series F	186,372	83,389
Series O	2,113,917	1,033,816
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	5,411,682	3,314,524
Series AT5	321,520	161,574
Series E	—	1,593,213
Series EF	—	22,385
Series F	683,292	299,053
Series O	6,079,303	4,369,979
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.28	0.28
Series AT5	0.36	0.19
Series E	—	(0.18)
Series EF	—	(0.16)
Series F	0.27	0.28
Series O	0.35	0.24

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



# Sun Life Granite Conservative Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series AT5 (\$)	(\$)	Series E (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	56,150,773	19,000,504	3,979,509	2,357,210	–	16,675,838
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,525,778	918,103	115,734	30,778	–	(279,609)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	21,199,053	30,380,030	1,604,674	681,060	–	1,110,547
Redemption of redeemable shares	(9,966,734)	(5,585,025)	(640,309)	(520,747)	–	(17,505,470)
Reinvestment of distributions to holders of redeemable shares	381,844	784,870	65,952	44,467	–	1,090
Capitalized distributions	–	–	–	–	–	–
	11,614,163	25,579,875	1,030,317	204,780	–	(16,393,833)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(369,546)	(783,530)	(27,168)	(60,528)	–	–
From net investment income	(14,554)	(6,795)	(116,755)	(46,952)	–	(2,396)
Return of capital	–	–	–	–	–	–
	(384,100)	(790,325)	(143,923)	(107,480)	–	(2,396)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	12,755,841	25,707,653	1,002,128	128,078	–	(16,675,838)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>68,906,614</b>	<b>44,708,157</b>	<b>4,981,637</b>	<b>2,485,288</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF (\$)	(\$)	Series F (\$)	(\$)	Series O (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	221,547	6,310,069	1,900,548	59,616,757	45,703,818
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(3,568)	186,372	83,389	2,113,917	1,033,816
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	6,676,332	2,284,346	27,405,115	9,754,205
Redemption of redeemable shares	–	(217,973)	(2,000,477)	(371,601)	(6,606,027)	(5,912,650)
Reinvestment of distributions to holders of redeemable shares	–	5	48,356	62,280	407,266	936,723
Capitalized distributions	–	(217,968)	4,724,211	1,975,025	21,206,354	4,778,278
	–	(217,968)	4,724,211	1,975,025	21,206,354	4,778,278
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(50,737)	(66,727)	(407,123)	(936,435)
From net investment income	–	(11)	(1,629)	(471)	–	–
Return of capital	–	–	–	–	–	–
	–	(11)	(52,366)	(67,198)	(407,123)	(936,435)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(221,547)	4,858,217	1,991,216	22,913,148	4,875,659
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>–</b>	<b>–</b>	<b>11,168,286</b>	<b>3,891,764</b>	<b>82,529,905</b>	<b>50,579,477</b>

	2017	2016
	Total (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	126,057,108	85,859,465
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	3,941,801	1,782,909
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	56,885,174	44,210,188
Redemption of redeemable shares	(19,213,547)	(30,113,466)
Reinvestment of distributions to holders of redeemable shares	903,418	1,829,435
Capitalized distributions	–	–
	38,575,045	15,926,157
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(854,574)	(1,847,220)
From net investment income	(132,938)	(56,625)
Return of capital	–	–
	(987,512)	(1,903,845)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	41,529,334	15,805,221
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>167,586,442</b>	<b>101,664,686</b>

	2017	2016	2017	2016	2017	2016
	Series A	Series AT5	Series E			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	5,007,094	1,685,623	281,267	157,340	–	1,572,081
Shares issued	1,849,666	2,746,128	112,748	46,813	–	106,129
Shares issued on reinvestment of distributions	33,218	72,437	4,646	3,094	–	104
Shares redeemed	(870,761)	(505,923)	(45,011)	(35,601)	–	(1,678,314)
<b>Balance – end of period</b>	<b>6,019,217</b>	<b>3,998,265</b>	<b>353,650</b>	<b>171,646</b>	<b>–</b>	<b>–</b>

	2017	2016	2017	2016	2017	2016
	Series EF	Series F	Series O			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	22,392	547,307	165,335	5,399,132	4,187,371
Shares issued	–	–	564,182	201,658	2,407,441	908,843
Shares issued on reinvestment of distributions	–	–	4,120	5,629	36,480	89,059
Shares redeemed	–	(22,392)	(170,531)	(32,997)	(581,682)	(552,179)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>945,078</b>	<b>339,625</b>	<b>7,261,371</b>	<b>4,633,094</b>

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	11,234,800	7,790,142
Shares issued	4,934,037	4,009,571
Shares issued on reinvestment of distributions	78,464	170,323
Shares redeemed	(1,667,985)	(2,827,406)
<b>Balance – end of period</b>	<b>14,579,316</b>	<b>9,142,630</b>

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

# Sun Life Granite Conservative Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	3,941,801	1,782,909
Adjustments for:		
Net realized (gain) loss on sale of investments	(125,814)	124,011
Change in unrealized (appreciation) depreciation in value of investments	(4,974,030)	(2,341,669)
Non-cash income distributions from underlying funds	—	—
Purchases of investments	(43,297,894)	(19,369,908)
Proceeds from sale of investments	8,966,307	5,912,631
Change in accrued interest	—	—
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	30,409	63,505
Change in other payables and accrued expenses	8,244	15,057
Change in income tax payable	(201,566)	(276,385)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(35,652,543)</b>	<b>(14,089,849)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(84,210)	(74,696)
Proceeds from redeemable shares issued	55,008,083	44,207,479
Redemption of redeemable shares	(19,152,529)	(30,115,035)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>35,771,344</b>	<b>14,017,748</b>
Net increase (decrease) in cash	118,801	(72,101)
Cash (bank indebtedness) at beginning of period	337,302	(8,585)
<b>Cash (bank indebtedness) at end of period</b>	<b>456,103</b>	<b>(80,686)</b>
Interest received	1,191	8,304
Income taxes paid	(655,000)	—
Interest paid	—	—

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

# Sun Life Granite Conservative Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	13,877,793	165,305,794	168,011,503	
		<b>165,305,794</b>	<b>168,011,503</b>	<b>100.25</b>
<b>Total Investments</b>		<b>165,305,794</b>	<b>168,011,503</b>	<b>100.25</b>
<b>Other Assets less Liabilities</b>			<b>(425,061)</b>	<b>(0.25)</b>
<b>Total Net Assets</b>			<b>167,586,442</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Exchange-Traded Funds</b>		
U.S. Equities	6.5	5.0
<b>Mutual Funds</b>		
Canadian Fixed Income	42.4	41.7
Tactical Balanced	11.5	14.1
Global Fixed Income	7.3	9.4
High Yield Fixed Income	8.5	7.0
International Equities	8.5	6.0
Canadian Equities	7.4	5.5
U.S. Equities	2.3	3.1
Canadian Money Market	–	2.5
Global Equities	1.0	1.4
Canadian Focused Equities	1.1	1.2
Energy Equities	0.9	1.0
U.S. Small/Mid Cap Equities	0.7	1.0
Global Small/Mid Cap Equities	0.4	0.6
Real Estate Equities	1.4	0.4
Canadian Small/Mid Cap Equities	0.3	0.2
Emerging Markets Equities	–	–
<b>Other Assets less Liabilities</b>	<b>(0.3)</b>	<b>(0.1)</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

#### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active

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

# Sun Life Granite Conservative Class (Continued)

markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	168,011,503	—	—	168,011,503

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	892	10,539

  

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

## Interest in Underlying Portfolio

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Conservative Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	168,011,503	126,477,470
<b>Total financial assets at fair value through profit or loss</b>	<b>168,011,503</b>	<b>126,477,470</b>
<b>Financial assets at amortized cost</b>		
Cash	456,103	337,302
Other receivables	2,091,222	214,978
<b>Total financial assets at amortized cost</b>	<b>2,547,325</b>	<b>552,280</b>
<b>Total assets</b>	<b>170,558,828</b>	<b>127,029,750</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	2,972,386	972,642
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>2,972,386</b>	<b>972,642</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	5,101,035	2,225,962
<b>Total net gains (losses)</b>	<b>5,101,035</b>	<b>2,225,962</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Granite Growth Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current assets</b>		
Investments (non-derivative financial assets) (note 2)	32,573,282	21,257,077
Cash	6,174	2,385
Due from investment dealers	48,043	13,602
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	2,852	54,376
	<b>32,630,351</b>	<b>21,327,440</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	–
Accrued expenses	5,594	3,595
Redemptions payable	23,450	1,000
Distributions payable	–	94
Due to investment dealers	37,041	6,625
Management fees payable	31,337	20,945
Income tax payable	30,064	44,851
Total liabilities (excluding net assets attributable to holders of redeemable shares)	127,486	77,110
Net Assets Attributable to Holders of Redeemable Shares	32,502,865	21,250,330
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	13,612,033	10,016,630
Series AT5	139,377	60,907
Series AT8	378,068	157,770
Series E	–	–
Series EF	–	–
Series F	3,634,621	1,512,499
Series O	14,738,766	9,502,524
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.56	12.22
Series AT5	15.53	15.42
Series AT8	13.69	13.86
Series E	–	–
Series EF	–	–
Series F	13.11	12.68
Series O	11.87	11.43

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	480	29
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	35,233	(67,276)
Change in unrealized appreciation (depreciation) in value of investments	1,131,406	262,703
<b>Net gains (losses) on investments</b>	<b>1,167,119</b>	<b>195,456</b>
<b>Total income (loss)</b>	<b>1,167,119</b>	<b>195,456</b>
<b>Expenses (note 5)</b>		
Management fees	135,168	77,319
Administration fees	23,751	12,192
Independent review committee fees	237	65
Total operating expenses	159,156	89,576
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	1,007,963	105,880
<b>Finance Cost</b>		
Interest expense	(582)	–
<b>Net income (loss) before income taxes</b>	<b>1,007,381</b>	<b>105,880</b>
Income taxes	45,041	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>962,340</b>	<b>105,880</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	411,862	150,637
Series AT5	1,228	(279)
Series AT8	9,586	(1,966)
Series E	–	(114,912)
Series EF	–	(454)
Series F	90,688	9,264
Series O	448,976	63,590
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	924,330	539,747
Series AT5	5,405	3,963
Series AT8	21,020	21,213
Series E	–	227,903
Series EF	–	1,007
Series F	204,602	81,775
Series O	925,186	464,649
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.45	0.28
Series AT5	0.23	(0.07)
Series AT8	0.46	(0.09)
Series E	–	(0.50)
Series EF	–	(0.45)
Series F	0.44	0.11
Series O	0.49	0.14

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

# Sun Life Granite Growth Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	Series AT5 (\$)	Series AT5 (\$)	Series AT8 (\$)	Series AT8 (\$)	Series AT8 (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	10,016,630	3,412,294	60,907	63,897	157,770	328,806
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	411,862	150,637	1,228	(279)	9,586	(1,966)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	4,607,478	4,981,554	80,395	–	240,797	–
Redemption of redeemable shares	(1,424,200)	(682,890)	(3,150)	(3,150)	(15,065)	(9,845)
Reinvestment of distributions to holders of redeemable shares	142,479	231,533	3,052	3,828	1,753	1,910
Capitalized distributions	–	–	–	–	–	–
	3,325,757	4,530,197	80,297	678	227,485	(7,935)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(140,273)	(232,195)	(832)	(2,199)	(4,072)	(11,166)
From net investment income	(1,943)	(832)	(2,223)	(1,625)	(12,701)	(13,017)
Return of capital	–	–	–	–	–	–
	(142,216)	(233,027)	(3,055)	(3,824)	(16,773)	(24,183)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	3,595,403	4,447,807	78,470	(3,425)	220,298	(34,084)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>13,612,033</b>	<b>7,860,101</b>	<b>139,377</b>	<b>60,472</b>	<b>378,068</b>	<b>294,722</b>

  

	2017	2016	2017	2016	2017	2016
	Series E (\$)	Series EF (\$)	Series EF (\$)	Series F (\$)	Series F (\$)	Series F (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	2,461,278	–	9,920	1,512,499	861,122
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(114,912)	–	(454)	90,688	9,264
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	5,500	–	–	2,071,426	466,820
Redemption of redeemable shares	–	(2,351,708)	–	(9,466)	(34,147)	(317,511)
Reinvestment of distributions to holders of redeemable shares	–	123	–	1	22,442	30,535
Capitalized distributions	–	–	–	–	–	–
	–	(2,346,085)	–	(9,465)	2,059,721	179,844
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	(27,975)	(40,180)
From net investment income	–	(281)	–	(1)	(312)	(112)
Return of capital	–	–	–	–	–	–
	–	(281)	–	(1)	(28,287)	(40,292)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(2,461,278)	–	(9,920)	2,122,122	148,816
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	–	–	<b>3,634,621</b>	<b>1,009,938</b>

	2017	2016	2017	2016
	Series O (\$)	Total (\$)	Series O (\$)	Total (\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	9,502,524	4,314,381	21,250,330	11,451,698
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	448,976	63,590	962,340	105,880
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	6,443,152	3,136,777	13,443,248	8,590,651
Redemption of redeemable shares	(1,656,470)	(1,097,287)	(3,133,032)	(4,471,857)
Reinvestment of distributions to holders of redeemable shares	126,084	135,176	295,810	403,106
Capitalized distributions	–	–	–	–
	4,912,766	2,174,666	10,606,026	4,521,900
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(125,500)	(135,177)	(298,652)	(420,917)
From net investment income	–	–	(17,179)	(15,868)
Return of capital	–	–	–	–
	(125,500)	(135,177)	(315,831)	(436,785)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	5,236,242	2,103,079	11,252,535	4,190,995
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>14,738,766</b>	<b>6,417,460</b>	<b>32,502,865</b>	<b>15,642,693</b>

  

	2017	2016	2017	2016	2017	2016
	Series A	Series AT5	Series AT5	Series AT8	Series AT8	Series AT8
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	819,988	278,379	3,952	3,916	11,386	21,686
Shares issued	365,824	427,399	5,028	–	17,184	–
Shares issued on reinvestment of distributions	11,518	20,598	195	255	125	137
Shares redeemed	(113,775)	(58,650)	(201)	(205)	(1,073)	(682)
<b>Balance – end of period</b>	<b>1,083,555</b>	<b>667,726</b>	<b>8,974</b>	<b>3,966</b>	<b>27,622</b>	<b>21,141</b>

  

	2017	2016	2017	2016	2017	2016
	Series E	Series EF	Series EF	Series F	Series F	Series F
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	227,523	–	1,007	119,296	68,419
Shares issued	–	525	–	–	158,844	38,804
Shares issued on reinvestment of distributions	–	12	–	–	1,743	2,641
Shares redeemed	–	(228,060)	–	(1,007)	(2,587)	(26,750)
<b>Balance – end of period</b>	–	–	–	–	<b>277,296</b>	<b>83,114</b>

  

	2017	2016	2017	2016
	Series O	Total	Series O	Total
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	831,708	384,284	1,786,330	985,214
Shares issued	540,019	293,607	1,086,899	760,335
Shares issued on reinvestment of distributions	10,907	13,087	24,488	36,730
Shares redeemed	(141,127)	(101,960)	(258,763)	(417,314)
<b>Balance – end of period</b>	<b>1,241,507</b>	<b>589,018</b>	<b>2,638,954</b>	<b>1,364,965</b>

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



# Sun Life Granite Growth Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	962,340	105,880
Adjustments for:		
Net realized (gain) loss on sale of investments	(35,233)	67,276
Change in unrealized (appreciation) depreciation in value of investments	(1,131,406)	(262,703)
Non-cash income distributions from underlying funds	—	—
Purchases of investments	(11,932,325)	(5,643,062)
Proceeds from sale of investments	1,778,734	1,370,922
Change in accrued interest	—	—
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	10,392	14,028
Change in other payables and accrued expenses	1,999	2,523
Change in income tax payable	(14,787)	(18,458)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(10,360,286)</b>	<b>(4,363,594)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(20,115)	(33,746)
Proceeds from redeemable shares issued	13,494,772	8,599,381
Redemption of redeemable shares	(3,110,582)	(4,481,166)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>10,364,075</b>	<b>4,084,469</b>
Net increase (decrease) in cash	3,789	(279,125)
Cash (bank indebtedness) at beginning of period	2,385	135,637
<b>Cash (bank indebtedness) at end of period</b>	<b>6,174</b>	<b>(143,488)</b>
Interest received	480	29
Income taxes paid	(59,828)	—
Interest paid	(582)	—

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

# Sun Life Granite Growth Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	2,247,255	31,436,489	32,573,282	
		<b>31,436,489</b>	<b>32,573,282</b>	<b>100.22</b>
<b>Total Investments</b>		<b>31,436,489</b>	<b>32,573,282</b>	<b>100.22</b>
<b>Other Assets less Liabilities</b>			<b>(70,417)</b>	<b>(0.22)</b>
<b>Total Net Assets</b>			<b>32,502,865</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Exchange-Traded Funds</b>		
U.S. Equities	15.0	12.2
<b>Mutual Funds</b>		
International Equities	20.8	16.6
Canadian Equities	17.7	13.6
Tactical Balanced	9.2	12.7
Canadian Fixed Income	7.7	10.9
Global Equities	3.8	6.7
U.S. Equities	5.3	6.0
Real Estate Equities	5.8	3.7
Canadian Focused Equities	2.6	3.4
High Yield Fixed Income	2.3	3.2
Emerging Markets Equities	3.6	2.8
U.S. Small/Mid Cap Equities	1.6	2.1
Energy Equities	2.1	1.5
Global Fixed Income	0.5	1.5
Global Small/Mid Cap Equities	0.9	1.2
Canadian Small/Mid Cap Equities	0.7	1.0
Canadian Money Market	—	0.5
<b>Other Assets less Liabilities</b>	<b>0.4</b>	<b>0.4</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active

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

# Sun Life Granite Growth Class (Continued)

markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	32,573,282	—	—	32,573,282

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AT5	927	14,390
Series AT8	0.26	4
Series F	0.20	3

  

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

## Interest in Underlying Portfolio

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Growth Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	32,573,282	21,257,077
<b>Total financial assets at fair value through profit or loss</b>	<b>32,573,282</b>	<b>21,257,077</b>
<b>Financial assets at amortized cost</b>		
Cash	6,174	2,385
Other receivables	50,895	67,978
<b>Total financial assets at amortized cost</b>	<b>57,069</b>	<b>70,363</b>
<b>Total assets</b>	<b>32,630,351</b>	<b>21,327,440</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	127,486	77,110
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>127,486</b>	<b>77,110</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,167,119	195,456
<b>Total net gains (losses)</b>	<b>1,167,119</b>	<b>195,456</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Granite Moderate Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current assets</b>		
Investments (non-derivative financial assets) (note 2)	87,744,683	72,338,406
Cash	250,205	88,443
Due from investment dealers	66,862	50,163
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	105,825	136,543
	<b>88,167,575</b>	<b>72,613,555</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	–
Accrued expenses	15,950	12,347
Redemptions payable	9,746	8,003
Distributions payable	–	131
Due to investment dealers	98,688	148,868
Management fees payable	84,075	62,910
Income tax payable	160,570	252,938
Total liabilities (excluding net assets attributable to holders of redeemable shares)	369,029	485,197
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>87,798,546</b>	<b>72,128,358</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	37,666,573	31,369,581
Series AT5	6,229,100	4,904,854
Series E	–	–
Series EF	–	–
Series F	4,232,991	3,663,822
Series O	39,669,882	32,190,101
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.03	11.75
Series AT5	14.82	14.83
Series E	–	–
Series EF	–	–
Series F	12.54	12.18
Series O	11.75	11.36

Approved on behalf of the Board of Directors

“signed” Rick Headrick

Director

“signed” Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	2,200	3,905
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	197,659	(57,296)
Change in unrealized appreciation (depreciation) in value of investments	3,415,829	1,212,747
<b>Net gains (losses) on investments</b>	<b>3,615,688</b>	<b>1,159,356</b>
<b>Total income (loss)</b>	<b>3,615,688</b>	<b>1,159,356</b>
<b>Expenses (note 5)</b>		
Management fees	396,931	223,350
Administration fees	76,588	41,195
Independent review committee fees	765	219
Total operating expenses	474,284	264,764
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	3,141,404	894,592
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>3,141,404</b>	<b>894,592</b>
Income taxes	227,163	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,914,241</b>	<b>894,592</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	1,064,983	479,230
Series AT5	185,093	15,795
Series E	–	(219,036)
Series EF	–	(27,837)
Series F	164,237	71,868
Series O	1,499,928	574,572
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	2,905,271	1,702,852
Series AT5	387,807	124,582
Series E	–	736,256
Series EF	–	105,299
Series F	338,595	128,050
Series O	3,183,490	1,814,770
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.37	0.28
Series AT5	0.48	0.13
Series E	–	(0.30)
Series EF	–	(0.26)
Series F	0.49	0.56
Series O	0.47	0.32

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

# Sun Life Granite Moderate Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series AT5 (\$)	(\$)	Series E (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	31,369,581	10,804,784	4,904,854	1,777,605	–	7,554,615
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,064,983	479,230	185,093	15,795	–	(219,036)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	9,933,802	15,523,525	1,830,821	340,000	–	755,519
Redemption of redeemable shares	(4,697,794)	(2,423,298)	(561,867)	(88,111)	–	(8,090,758)
Reinvestment of distributions to holders of redeemable shares	275,474	421,944	63,766	42,853	–	312
Capitalized distributions	–	–	–	–	–	–
	5,511,482	13,522,171	1,332,720	294,742	–	(7,334,927)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(272,045)	(418,450)	(43,153)	(36,376)	–	–
From net investment income	(7,428)	(2,791)	(150,414)	(49,284)	–	(652)
Return of capital	–	–	–	–	–	–
	(279,473)	(421,241)	(193,567)	(85,660)	–	(652)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	6,296,992	13,580,160	1,324,246	224,877	–	(7,554,615)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>37,666,573</b>	<b>24,384,944</b>	<b>6,229,100</b>	<b>2,002,482</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF (\$)	(\$)	Series F (\$)	(\$)	Series O (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	1,022,381	3,663,822	160,109	32,190,101	13,214,008
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(27,837)	164,237	71,868	1,499,928	574,572
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	70,050	1,146,995	1,876,878	9,582,864	15,014,454
Redemption of redeemable shares	–	(1,064,458)	(740,783)	(2,743)	(3,602,948)	(2,775,843)
Reinvestment of distributions to holders of redeemable shares	–	119	33,987	32,588	296,725	418,180
Capitalized distributions	–	–	–	–	–	–
	–	(994,289)	440,199	1,906,723	6,276,641	12,656,791
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(33,992)	(31,848)	(296,788)	(416,774)
From net investment income	–	(255)	(1,275)	(562)	–	–
Return of capital	–	–	–	–	–	–
	–	(255)	(35,267)	(32,410)	(296,788)	(416,774)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(1,022,381)	569,169	1,946,181	7,479,781	12,814,589
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>–</b>	<b>–</b>	<b>4,232,991</b>	<b>2,106,290</b>	<b>39,669,882</b>	<b>26,028,597</b>

	2017	2016
	Total (\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	72,128,358	34,533,502
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	2,914,241	894,592
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	22,494,482	33,580,426
Redemption of redeemable shares	(9,603,392)	(14,445,211)
Reinvestment of distributions to holders of redeemable shares	669,952	915,996
Capitalized distributions	–	–
	13,561,042	20,051,211
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(645,978)	(903,448)
From net investment income	(159,117)	(53,544)
Return of capital	–	–
	(805,095)	(956,992)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	15,670,188	19,988,811
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>87,798,546</b>	<b>54,522,313</b>

  

	2017	2016	2017	2016	2017	2016
	Series A	Series AT5	Series E			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	2,671,442	921,701	330,913	114,117	–	701,557
Shares issued	827,621	1,363,280	122,168	22,773	–	71,417
Shares issued on reinvestment of distributions	23,082	37,906	4,268	2,896	–	29
Shares redeemed	(392,169)	(212,594)	(37,067)	(5,945)	–	(773,003)
<b>Balance – end of period</b>	<b>3,129,976</b>	<b>2,110,293</b>	<b>420,282</b>	<b>133,841</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF	Series F	Series O			
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	103,386	301,028	13,322	2,834,432	1,188,904
Shares issued	–	7,252	92,575	160,898	823,870	1,380,149
Shares issued on reinvestment of distributions	–	12	2,741	2,849	25,805	39,494
Shares redeemed	–	(110,650)	(58,803)	(234)	(308,239)	(256,663)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>337,541</b>	<b>176,835</b>	<b>3,375,868</b>	<b>2,351,884</b>

  

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	6,137,815	3,042,987
Shares issued	1,866,234	3,005,769
Shares issued on reinvestment of distributions	55,896	83,186
Shares redeemed	(796,278)	(1,359,089)
<b>Balance – end of period</b>	<b>7,263,667</b>	<b>4,772,853</b>

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

# Sun Life Granite Moderate Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,914,241	894,592
Adjustments for:		
Net realized (gain) loss on sale of investments	(197,659)	57,296
Change in unrealized (appreciation) depreciation in value of investments	(3,415,829)	(1,212,747)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(17,123,207)	(22,212,284)
Proceeds from sale of investments	5,263,539	3,581,605
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	21,165	41,349
Change in other payables and accrued expenses	3,603	8,400
Change in income tax payable	(92,368)	(69,087)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(12,626,515)</b>	<b>(18,910,876)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(135,274)	(41,685)
Proceeds from redeemable shares issued	22,525,200	33,230,145
Redemption of redeemable shares	(9,601,649)	(14,439,586)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>12,788,277</b>	<b>18,748,874</b>
Net increase (decrease) in cash	161,762	(162,002)
Cash (bank indebtedness) at beginning of period	88,443	98,911
<b>Cash (bank indebtedness) at end of period</b>	<b>250,205</b>	<b>(63,091)</b>
Interest received	2,200	3,905
Income taxes paid	(319,531)	–
Interest paid	–	–

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



# Sun Life Granite Moderate Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	6,484,188	84,150,702	87,744,683	
		<b>84,150,702</b>	<b>87,744,683</b>	<b>99.94</b>
<b>Total Investments</b>		<b>84,150,702</b>	<b>87,744,683</b>	<b>99.94</b>
<b>Other Assets less Liabilities</b>			<b>53,863</b>	<b>0.06</b>
<b>Total Net Assets</b>			<b>87,798,546</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Exchange-Traded Funds</b>		
U.S. Equities	10.2	8.2
<b>Mutual Funds</b>		
Canadian Fixed Income	27.5	29.9
Tactical Balanced	10.8	14.1
Canadian Equities	12.2	10.5
International Equities	13.9	10.1
High Yield Fixed Income	6.5	6.1
Global Fixed Income	5.0	5.0
U.S. Equities	3.6	4.4
Global Equities	1.4	2.4
Canadian Focused Equities	1.8	2.2
Real Estate Equities	1.9	1.5
U.S. Small/Mid Cap Equities	1.0	1.4
Emerging Markets Equities	1.5	1.2
Energy Equities	1.5	1.0
Canadian Money Market	–	0.9
Global Small/Mid Cap Equities	0.4	0.6
Canadian Small/Mid Cap Equities	0.5	0.5
<b>Other Assets less Liabilities</b>	0.3	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies 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 accompanying notes are an integral part of the financial statements.*

# Sun Life Granite Moderate Class (Continued)

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	87,744,683	–	–	87,744,683

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

June 30, 2017		
	Units	Market Value (\$)
Series F	0.21	3

  

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

### Interest in Underlying Portfolio

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Moderate Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	87,744,683	72,338,406
<b>Total financial assets at fair value through profit or loss</b>	<b>87,744,683</b>	<b>72,338,406</b>
<b>Financial assets at amortized cost</b>		
Cash	250,205	88,443
Other receivables	172,687	186,706
<b>Total financial assets at amortized cost</b>	<b>422,892</b>	<b>275,149</b>
<b>Total assets</b>	<b>88,167,575</b>	<b>72,613,555</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	369,029	485,197
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>369,029</b>	<b>485,197</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,615,688	1,159,356
<b>Total net gains (losses)</b>	<b>3,615,688</b>	<b>1,159,356</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life MFS Canadian Equity Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	800,912	860,843
Cash	1,363	–
Due from investment dealers	1,449	1,567
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	83	83
	<b>803,807</b>	<b>862,493</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	2,854
Accrued expenses	132	135
Redemptions payable	–	–
Distributions payable	–	1
Due to investment dealers	173	83
Management fees payable	1,446	1,527
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,751	4,600
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>802,056</b>	<b>857,893</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	543,726	627,124
Series AT5	128,998	130,602
Series E	–	–
Series EF	–	–
Series F	24,388	24,252
Series O	104,944	75,915
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.09	11.11
Series AT5	13.66	14.02
Series E	–	–
Series EF	–	–
Series F	11.56	11.51
Series O	10.49	10.39

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	–	–
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	11,585	(1,159)
Change in unrealized appreciation (depreciation) in value of investments	(3,261)	26,816
<b>Net gains (losses) on investments</b>	<b>8,324</b>	<b>25,657</b>
<b>Total income (loss)</b>	<b>8,324</b>	<b>25,657</b>
<b>Expenses (note 5)</b>		
Management fees	7,523	5,462
Administration fees	690	492
Independent review committee fees	7	3
Total operating expenses	8,220	5,957
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	104	19,700
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>104</b>	<b>19,700</b>
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>104</b>	<b>19,700</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(235)	15,290
Series AT5	(134)	360
Series E	–	(379)
Series EF	–	(339)
Series F	130	1,106
Series O	343	3,662
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	50,952	49,045
Series AT5	9,342	874
Series E	–	1,063
Series EF	–	1,026
Series F	2,107	1,851
Series O	8,988	6,293
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	–	0.31
Series AT5	(0.01)	0.41
Series E	–	(0.36)
Series EF	–	(0.33)
Series F	0.06	0.60
Series O	0.04	0.58

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

# Sun Life MFS Canadian Equity Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	627,124	492,874	130,602	11,696	–	9,929
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	(235)	15,290	(134)	360	–	(379)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	24,747	12,639	–	–	–	–
Redemption of redeemable shares	(107,915)	(16,712)	–	–	–	(9,550)
Reinvestment of distributions to holders of redeemable shares	238	28,565	1,820	985	–	1
Capitalized distributions	–	–	–	–	–	–
	(82,930)	24,492	1,820	985	–	(9,549)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	(28,384)	–	(664)	–	–
From net investment income	(233)	(138)	(3,290)	(319)	–	(1)
Return of capital	–	–	–	–	–	–
	(233)	(28,522)	(3,290)	(983)	–	(1)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(83,398)	11,260	(1,604)	362	–	(9,929)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>543,726</b>	<b>504,134</b>	<b>128,998</b>	<b>12,058</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,150	24,252	12,004	75,915	44,763
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(339)	130	1,106	343	3,662
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	6	8,811	29,275	40,883
Redemption of redeemable shares	–	(8,811)	–	–	(590)	(42,170)
Reinvestment of distributions to holders of redeemable shares	–	1	29	1,226	1	2,558
Capitalized distributions	–	–	–	–	–	–
	–	(8,810)	35	10,037	28,686	1,271
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	(1,203)	–	(2,558)
From net investment income	–	(1)	(29)	(18)	–	–
Return of capital	–	–	–	–	–	–
	–	(1)	(29)	(1,221)	–	(2,558)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,150)	136	9,922	29,029	2,375
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>–</b>	<b>–</b>	<b>24,388</b>	<b>21,926</b>	<b>104,944</b>	<b>47,138</b>

	2017	2016				
	Total	Total				
	(\$)	(\$)				
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	857,893	580,416				
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	104	19,700				
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	54,028	62,333				
Redemption of redeemable shares	(108,505)	(77,243)				
Reinvestment of distributions to holders of redeemable shares	2,088	33,336				
Capitalized distributions	–	–				
	(52,389)	18,426				
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	(32,809)				
From net investment income	(3,552)	(477)				
Return of capital	–	–				
	(3,552)	(33,286)				
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(55,837)	4,840				
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>802,056</b>	<b>585,256</b>				
	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	56,465	46,481	9,314	829	–	1,063
Shares issued	2,188	1,243	–	–	–	–
Shares issued on reinvestment of distributions	17	2,980	132	77	–	–
Shares redeemed	(9,661)	(1,646)	–	–	–	(1,063)
<b>Balance – end of period</b>	<b>49,009</b>	<b>49,058</b>	<b>9,446</b>	<b>906</b>	<b>–</b>	<b>–</b>
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,026	2,106	1,103	7,307	4,612
Shares issued	–	–	1	841	2,752	4,466
Shares issued on reinvestment of distributions	–	–	2	125	–	290
Shares redeemed	–	(1,026)	–	–	(55)	(4,411)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>2,109</b>	<b>2,069</b>	<b>10,004</b>	<b>4,957</b>
	2017	2016				
	Total	Total				
	(\$)	(\$)				
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	75,192	55,114				
Shares issued	4,941	6,550				
Shares issued on reinvestment of distributions	151	3,472				
Shares redeemed	(9,716)	(8,146)				
<b>Balance – end of period</b>	<b>70,568</b>	<b>56,990</b>				

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

# Sun Life MFS Canadian Equity Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	104	19,700
Adjustments for:		
Net realized (gain) loss on sale of investments	(11,585)	1,159
Change in unrealized (appreciation) depreciation in value of investments	3,261	(26,816)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(101,887)	(43,483)
Proceeds from sale of investments	170,350	64,420
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	(81)	845
Change in other payables and accrued expenses	(3)	79
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>60,159</b>	<b>15,904</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(1,465)	50
Proceeds from redeemable shares issued	54,028	62,300
Redemption of redeemable shares	(108,505)	(77,243)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(55,942)</b>	<b>(14,893)</b>
Net increase (decrease) in cash	4,217	1,011
Cash (bank indebtedness) at beginning of period	(2,854)	(1,080)
<b>Cash (bank indebtedness) at end of period</b>	<b>1,363</b>	<b>(69)</b>
Interest received	–	–
Income taxes paid	–	–
Interest paid	–	–

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

# Sun Life MFS Canadian Equity Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Canadian Equity Fund, Series I	42,873	749,908	800,912	
		<b>749,908</b>	<b>800,912</b>	<b>99.86</b>
<b>Total Investments</b>		<b>749,908</b>	<b>800,912</b>	<b>99.86</b>
<b>Other Assets less Liabilities</b>			<b>1,144</b>	<b>0.14</b>
<b>Total Net Assets</b>			<b>802,056</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

#### (b) Market risk

##### i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, indirectly through underlying internally managed funds, including cash and cash equivalents. It is

therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>June 30, 2017</b>		
United States Dollar	230	0.03
<b>Total</b>	<b>230</b>	<b>0.03</b>

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

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$12 (\$12 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

##### iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$39,262 (\$42,449 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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



# Sun Life MFS Canadian Equity Class (Continued)

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Energy	19.9	22.5
Materials	11.6	11.7
Industrials	14.7	12.3
Consumer Discretionary	6.4	6.1
Consumer Staples	4.7	3.6
Health Care	0.1	0.1
Financials	31.3	33.1
Real Estate	1.7	2.1
Information Technology	4.2	4.1
Telecommunication Services	2.4	2.3
Utilities	0.9	1.1
<b>Other Assets less Liabilities</b>	2.1	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the

measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	800,912	–	–	800,912
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	860,843	–	–	860,843

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	16,574	183,881
Series AT5	971	13,263
Series F	2,109	24,388
Series O	1,113	11,671

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

# Sun Life MFS Canadian Equity Class (Continued)

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	800,912	860,843
<b>Total financial assets at fair value through profit or loss</b>	<b>800,912</b>	<b>860,843</b>
<b>Financial assets at amortized cost</b>		
Cash	1,363	–
Other receivables	1,532	1,650
<b>Total financial assets at amortized cost</b>	<b>2,895</b>	<b>1,650</b>
<b>Total assets</b>	<b>803,807</b>	<b>862,493</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	1,751	4,600
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>1,751</b>	<b>4,600</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	8,324	25,657
<b>Total net gains (losses)</b>	<b>8,324</b>	<b>25,657</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

## Anticipated Future Fund Change

Effective October 27, 2017, as a result of the merger of the Sun Life MFS Canadian Equity Fund into the Sun Life MFS Canadian Equity Growth Fund, the Fund will invest substantially all of its holdings in the Sun Life MFS Canadian Equity Growth Fund. As of the effective date, the name of the Fund will change to the Sun Life MFS Canadian Equity Growth Class.

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

# Sun Life MFS Dividend Income Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	14,372,172	10,718,363
Cash	–	3,515
Due from investment dealers	52,393	–
Accrued interest	–	–
Distributions receivable from underlying funds	149,319	–
Subscriptions receivable	33,352	146,127
	14,607,236	10,868,005
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	102,480	–
Accrued expenses	525	468
Redemptions payable	28,054	1,581
Distributions payable	–	2,713
Due to investment dealers	151,398	145,335
Management fees payable	3,736	3,333
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	286,193	153,430
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	14,321,043	10,714,575
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,681,196	1,622,817
Series AT5	99,606	44,283
Series E	–	–
Series EF	–	–
Series F	133,233	1,014,029
Series I	11,317,775	7,095,170
Series O	1,089,233	938,276
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.66	11.65
Series AT5	14.39	14.74
Series E	–	–
Series EF	–	–
Series F	12.15	12.07
Series I	10.07	9.96
Series O	10.72	10.60

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	–	5
Distributions from underlying funds	259,193	127,182
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	91,410	(32,315)
Change in unrealized appreciation (depreciation) in value of investments	(220,572)	342,060
<b>Net gains (losses) on investments</b>	130,031	436,932
<b>Total income (loss)</b>	130,031	436,932
<b>Expenses (note 5)</b>		
Management fees	19,445	15,814
Administration fees	3,093	2,249
Independent review committee fees	36	31
Total operating expenses	22,574	18,094
Expenses waived/absorbed by the Manager	–	–
<b>Operating Profit (Loss)</b>	107,457	418,838
<b>Finance Cost</b>		
Interest expense	(33)	–
<b>Net income (loss) before income taxes</b>	107,424	418,838
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	107,424	418,838
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	2,396	106,606
Series AT5	(623)	4,411
Series E	–	(24,063)
Series EF	–	(401)
Series F	26,143	(290)
Series I	69,028	262,193
Series O	10,480	70,382
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	145,839	141,418
Series AT5	6,438	5,588
Series E	–	61,012
Series EF	–	1,024
Series F	75,276	1,617
Series I	901,420	381,639
Series O	94,521	117,901
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.02	0.75
Series AT5	(0.10)	0.79
Series E	–	(0.39)
Series EF	–	(0.39)
Series F	0.35	(0.18)
Series I	0.08	0.69
Series O	0.11	0.60

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

# Sun Life MFS Dividend Income Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,622,817	1,082,487	44,283	96,748	–	542,076
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	2,396	106,606	(623)	4,411	–	(24,063)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	379,058	532,294	60,500	–	–	9,050
Redemption of redeemable shares	(323,110)	(121,994)	(3,800)	(60,967)	–	(527,036)
Reinvestment of distributions to holders of redeemable shares	2,821	18,562	2,025	2,869	–	23
Capitalized distributions	–	–	–	–	–	–
	58,769	428,862	58,725	(58,098)	–	(517,963)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(2,605)	(18,489)	(157)	(1,138)	–	–
From net investment income	(181)	(140)	(2,622)	(1,726)	–	(50)
Return of capital	–	–	–	–	–	–
	(2,786)	(18,629)	(2,779)	(2,864)	–	(50)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	58,379	516,839	55,323	(56,551)	–	(542,076)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	1,681,196	1,599,326	99,606	40,197	–	–
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,182	1,014,029	56,038	7,095,170	2,245,106
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(401)	26,143	(290)	69,028	262,193
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	124,412	8,781	4,610,036	2,284,072
Redemption of redeemable shares	–	(8,781)	(1,031,587)	(54,790)	(459,171)	(445,830)
Reinvestment of distributions to holders of redeemable shares	–	1	3,527	119	15,579	35,450
Capitalized distributions	–	–	–	–	–	–
	–	(8,780)	(903,648)	(45,890)	4,166,444	1,873,692
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(1,546)	(108)	(12,867)	(34,280)
From net investment income	–	(1)	(1,745)	(8)	–	–
Return of capital	–	–	–	–	–	–
	–	(1)	(3,291)	(116)	(12,867)	(34,280)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,182)	(880,796)	(46,296)	4,222,605	2,101,605
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	133,233	9,742	11,317,775	4,346,711

	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	938,276	1,099,649	10,714,575	5,131,286		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	10,480	70,382	107,424	418,838		
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	196,157	171,056	5,370,163	3,005,253		
Redemption of redeemable shares	(55,680)	(309,171)	(1,873,348)	(1,528,569)		
Reinvestment of distributions to holders of redeemable shares	1,414	12,604	25,366	69,628		
Capitalized distributions	–	–	–	–		
	141,891	(125,511)	3,522,181	1,546,312		
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(1,414)	(12,605)	(18,589)	(66,620)		
From net investment income	–	–	(4,548)	(1,925)		
Return of capital	–	–	–	–		
	(1,414)	(12,605)	(23,137)	(68,545)		
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	150,957	(67,734)	3,606,468	1,896,605		
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	1,089,233	1,031,915	14,321,043	7,027,891		
	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	139,339	104,459	3,004	7,020	–	60,647
Shares issued	32,037	53,644	4,040	–	–	1,068
Shares issued on reinvestment of distributions	239	1,875	138	215	–	3
Shares redeemed	(27,423)	(11,776)	(258)	(4,362)	–	(61,718)
<b>Balance – end of period</b>	144,192	148,202	6,924	2,873	–	–
	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,024	84,001	5,273	712,690	258,831
Shares issued	–	–	10,104	864	454,942	263,311
Shares issued on reinvestment of distributions	–	–	254	12	1,558	4,261
Shares redeemed	–	(1,024)	(83,394)	(5,273)	(45,438)	(50,207)
<b>Balance – end of period</b>	–	–	10,965	876	1,123,752	476,196
	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	88,489	118,841	1,027,523	556,095		
Shares issued	18,199	18,478	519,322	337,365		
Shares issued on reinvestment of distributions	133	1,423	2,322	7,789		
Shares redeemed	(5,196)	(32,683)	(161,709)	(167,043)		
<b>Balance – end of period</b>	101,625	106,059	1,387,458	734,206		

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

# Sun Life MFS Dividend Income Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	107,424	418,838
Adjustments for:		
Net realized (gain) loss on sale of investments	(91,410)	32,315
Change in unrealized (appreciation) depreciation in value of investments	220,572	(342,060)
Non-cash income distributions from underlying funds	(259,193)	(127,182)
Purchases of investments	(5,031,040)	(2,249,658)
Proceeds from sale of investments	1,460,932	682,088
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(149,319)	(79,121)
Change in management fees payable	403	2,372
Change in other payables and accrued expenses	57	363
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(3,741,574)</b>	<b>(1,662,045)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(484)	(88)
Proceeds from redeemable shares issued	5,482,938	3,047,359
Redemption of redeemable shares	(1,846,875)	(1,373,138)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,635,579</b>	<b>1,674,133</b>
Net increase (decrease) in cash	(105,995)	12,088
Cash (bank indebtedness) at beginning of period	3,515	(9,437)
<b>Cash (bank indebtedness) at end of period</b>	<b>(102,480)</b>	<b>2,651</b>
Interest received	-	5
Income taxes paid	-	-
Interest paid	(33)	-

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

# Sun Life MFS Dividend Income Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Dividend Income Fund, Series I	1,120,602	13,909,420	14,372,172	
		<b>13,909,420</b>	<b>14,372,172</b>	<b>100.36</b>
<b>Total Investments</b>		<b>13,909,420</b>	<b>14,372,172</b>	<b>100.36</b>
<b>Other Assets less Liabilities</b>			<b>(51,129)</b>	<b>(0.36)</b>
<b>Total Net Assets</b>			<b>14,321,043</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

#### (b) Market risk

##### i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar,

the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	1,260,890	8.80
Euro	416,837	2.91
British Pound	368,651	2.57
Danish Krone	315,052	2.20
Swiss Franc	302,221	2.11
Japanese Yen	171,903	1.20
Australian Dollar	158,806	1.11
South African Rand	115,110	0.80
Norwegian Krone	—	—
<b>Total</b>	<b>3,109,470</b>	<b>21.70</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	726,946	6.78
Euro	50,776	0.47
British Pound	211,820	1.98
Danish Krone	102,648	0.96
Swiss Franc	215,691	2.01
Japanese Yen	110,938	1.04
Australian Dollar	102,836	0.96
South African Rand	48,977	0.46
Norwegian Krone	1,848	0.02
<b>Total</b>	<b>1,572,480</b>	<b>14.68</b>

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$155,473 (\$78,624 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

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



# Sun Life MFS Dividend Income Class (Continued)

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$711,207 (\$525,164 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Energy	17.6	21.2
Materials	9.3	9.4
Industrials	11.5	10.6
Consumer Discretionary	4.9	5.3
Consumer Staples	5.0	2.7
Health Care	0.9	–
Financials	36.4	33.9
Real Estate	3.0	4.2
Information Technology	1.8	1.7
Telecommunication Services	2.8	2.6
Utilities	6.1	6.4
<b>Other Assets less Liabilities</b>	0.7	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	14,372,172	–	–	14,372,172

  

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	10,718,363	–	–	10,718,363

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

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



# Sun Life MFS Dividend Income Class (Continued)

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AT5	899	12,927
Series F	897	10,904
Series I	1,059	10,661

  

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

### Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
Sun Life MFS Dividend Income Fund	100%	41%

  

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

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	14,372,172	10,718,363
<b>Total financial assets at fair value through profit or loss</b>	<b>14,372,172</b>	<b>10,718,363</b>
<b>Financial assets at amortized cost</b>		
Cash	—	3,515
Other receivables	235,064	146,127
<b>Total financial assets at amortized cost</b>	<b>235,064</b>	<b>149,642</b>
<b>Total assets</b>	<b>14,607,236</b>	<b>10,868,005</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	286,193	153,430
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>286,193</b>	<b>153,430</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	—	—
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	130,031	436,932
<b>Total net gains (losses)</b>	<b>130,031</b>	<b>436,932</b>

### Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life MFS Global Growth Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	11,115,836	8,156,082
Cash	19,515	–
Due from investment dealers	18,945	104,721
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	326	461
	11,154,622	8,261,264
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	–	24,202
Accrued expenses	1,842	1,280
Redemptions payable	6,000	7,000
Distributions payable	–	–
Due to investment dealers	30,967	–
Management fees payable	13,077	9,216
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	51,886	41,698
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	11,102,736	8,219,566
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	4,681,738	3,451,338
Series AT5	399,629	214,679
Series AT8	296,406	265,480
Series E	–	–
Series EF	–	–
Series F	1,160,011	879,131
Series O	4,564,952	3,408,938
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	15.39	13.85
Series AT5	19.02	17.52
Series AT8	16.87	15.76
Series E	–	–
Series EF	–	–
Series F	15.86	14.19
Series O	14.05	12.50

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	981	187
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	70,208	41,132
Change in unrealized appreciation (depreciation) in value of investments	1,160,596	(122,387)
<b>Net gains (losses) on investments</b>	1,231,785	(81,068)
<b>Total income (loss)</b>	1,231,785	(81,068)
<b>Expenses (note 5)</b>		
Management fees	57,584	43,192
Administration fees	8,175	5,454
Independent review committee fees	93	34
Total operating expenses	65,852	48,680
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	1,165,933	(129,748)
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	1,165,933	(129,748)
Income taxes	672	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,165,261	(129,748)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	473,605	(46,742)
Series AT5	25,971	(2,383)
Series AT8	33,717	(4,469)
Series E	–	(51,150)
Series EF	–	(6,733)
Series F	127,956	9,818
Series O	504,012	(28,089)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	275,002	247,101
Series AT5	15,410	4,202
Series AT8	16,958	12,376
Series E	–	67,203
Series EF	–	11,013
Series F	68,340	22,952
Series O	293,317	204,124
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.72	(0.19)
Series AT5	1.69	(0.57)
Series AT8	1.99	(0.36)
Series E	–	(0.76)
Series EF	–	(0.61)
Series F	1.87	0.43
Series O	1.72	(0.14)

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

# Sun Life MFS Global Growth Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series AT8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	3,451,338	2,750,225	214,679	79,068	265,480	167,841
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	473,605	(46,742)	25,971	(2,383)	33,717	(4,469)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,192,713	1,594,805	162,028	–	16,714	97,808
Redemption of redeemable shares	(435,395)	(702,454)	(1,703)	(2,428)	(4,829)	(19,218)
Reinvestment of distributions to holders of redeemable shares	67,587	109,658	10,083	4,459	1,082	3,655
Capitalized distributions	–	–	–	–	–	–
	824,905	1,002,009	170,408	2,031	12,967	82,245
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(67,757)	(118,863)	(4,066)	(2,564)	(5,007)	(5,454)
From net investment income	(353)	(290)	(7,363)	(2,020)	(10,751)	(9,248)
Return of capital	–	–	–	–	–	–
	(68,110)	(119,153)	(11,429)	(4,584)	(15,758)	(14,702)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,230,400	836,114	184,950	(4,936)	30,926	63,074
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>4,681,738</b>	<b>3,586,339</b>	<b>399,629</b>	<b>74,132</b>	<b>296,406</b>	<b>230,915</b>

  

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	842,187	–	111,588	879,131	4,576
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(51,150)	–	(6,733)	127,956	9,818
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	35,000	–	–	187,759	374,855
Redemption of redeemable shares	–	(826,000)	–	(104,855)	(29,683)	(455)
Reinvestment of distributions to holders of redeemable shares	–	30	–	1	13,361	13,123
Capitalized distributions	–	–	–	–	–	–
	–	(790,970)	–	(104,854)	171,437	387,523
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	(18,273)	(13,051)
From net investment income	–	(67)	–	(1)	(240)	(55)
Return of capital	–	–	–	–	–	–
	–	(67)	–	(1)	(18,513)	(13,106)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(842,187)	–	(111,588)	280,880	384,235
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	–	–	<b>1,160,011</b>	<b>388,811</b>

	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	3,408,938	2,178,493	8,219,566	6,133,978
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	504,012	(28,089)	1,165,261	(129,748)
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	931,318	803,049	2,490,532	2,905,517
Redemption of redeemable shares	(279,225)	(206,372)	(750,835)	(1,861,782)
Reinvestment of distributions to holders of redeemable shares	62,848	74,139	154,961	205,065
Capitalized distributions	–	–	–	–
	714,941	670,816	1,894,658	1,248,800
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(62,939)	(74,140)	(158,042)	(214,072)
From net investment income	–	–	(18,707)	(11,681)
Return of capital	–	–	–	–
	(62,939)	(74,140)	(176,749)	(225,753)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,156,014	568,587	2,883,170	893,299
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>4,564,952</b>	<b>2,747,080</b>	<b>11,102,736</b>	<b>7,027,277</b>

  

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series AT8	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	249,278	191,370	12,252	4,117	16,840	9,390
Shares issued	79,634	118,702	8,308	–	949	5,993
Shares issued on reinvestment of distributions	4,672	8,419	544	257	64	227
Shares redeemed	(29,311)	(52,086)	(90)	(138)	(280)	(1,197)
<b>Balance – end of period</b>	<b>304,273</b>	<b>266,405</b>	<b>21,014</b>	<b>4,236</b>	<b>17,573</b>	<b>14,413</b>

  

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	69,026	–	11,013	61,950	314
Shares issued	–	2,985	–	–	12,137	27,058
Shares issued on reinvestment of distributions	–	3	–	–	896	992
Shares redeemed	–	(72,014)	–	(11,013)	(1,828)	(33)
<b>Balance – end of period</b>	–	–	–	–	<b>73,155</b>	<b>28,331</b>

  

	2017	2016	2017	2016
	Series O		Total	
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	272,681	171,637	613,001	456,867
Shares issued	68,308	67,653	169,336	222,391
Shares issued on reinvestment of distributions	4,802	6,422	10,978	16,320
Shares redeemed	(20,833)	(17,207)	(52,342)	(153,688)
<b>Balance – end of period</b>	<b>324,958</b>	<b>228,505</b>	<b>740,973</b>	<b>541,890</b>

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

# Sun Life MFS Global Growth Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,165,261	(129,748)
Adjustments for:		
Net realized (gain) loss on sale of investments	(70,208)	(41,132)
Change in unrealized (appreciation) depreciation in value of investments	(1,160,596)	122,387
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(2,198,881)	(1,610,853)
Proceeds from sale of investments	586,674	637,902
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	3,861	6,919
Change in other payables and accrued expenses	562	959
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,673,327)</b>	<b>(1,013,566)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(21,788)	(20,689)
Proceeds from redeemable shares issued	2,490,667	2,950,284
Redemption of redeemable shares	(751,835)	(1,862,575)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,717,044</b>	<b>1,067,020</b>
Net increase (decrease) in cash	43,717	53,454
Cash (bank indebtedness) at beginning of period	(24,202)	(57,889)
<b>Cash (bank indebtedness) at end of period</b>	<b>19,515</b>	<b>(4,435)</b>
Interest received	981	187
Income taxes paid	(672)	–
Interest paid	–	–

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

# Sun Life MFS Global Growth Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Global Growth Fund, Series I	567,780	9,420,142	11,115,836	
		<b>9,420,142</b>	<b>11,115,836</b>	<b>100.12</b>
<b>Total Investments</b>		<b>9,420,142</b>	<b>11,115,836</b>	<b>100.12</b>
<b>Other Assets less Liabilities</b>			<b>(13,100)</b>	<b>(0.12)</b>
<b>Total Net Assets</b>			<b>11,102,736</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

#### (b) Market risk

##### i) Currency risk

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

denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>June 30, 2017</b>		
United States Dollar	7,267,034	65.45
British Pound	1,346,339	12.13
Euro	856,534	7.71
Swiss Franc	844,123	7.60
Japanese Yen	285,337	2.57
Korean Won	150,520	1.36
Danish Krone	66,982	0.60
Indian Rupee	64,784	0.58
Brazilian Real	50,714	0.46
Hong Kong Dollar	–	–
<b>Total</b>	<b>10,932,367</b>	<b>98.46</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>December 31, 2016</b>		
United States Dollar	5,549,792	67.52
British Pound	937,257	11.40
Euro	651,637	7.93
Swiss Franc	566,151	6.89
Japanese Yen	186,941	2.27
Korean Won	129,286	1.57
Danish Krone	93,781	1.14
Indian Rupee	–	–
Brazilian Real	39,262	0.48
Hong Kong Dollar	52,219	0.64
<b>Total</b>	<b>8,206,326</b>	<b>99.84</b>

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$546,618 (\$410,316 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

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

# Sun Life MFS Global Growth Class (Continued)

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$547,156 (\$404,523 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Energy	0.6	0.9
Materials	8.7	8.1
Industrials	11.5	9.9
Consumer Discretionary	16.2	16.0
Consumer Staples	18.3	19.4
Health Care	12.3	14.8
Financials	7.9	7.2
Information Technology	23.1	22.2
<b>Other Assets less Liabilities</b>	1.4	1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	11,115,836	–	–	11,115,836
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	8,156,082	–	–	8,156,082

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed

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



# Sun Life MFS Global Growth Class (Continued)

money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.19	3

  

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	11,115,836	8,156,082
<b>Total financial assets at fair value through profit or loss</b>	<b>11,115,836</b>	<b>8,156,082</b>
<b>Financial assets at amortized cost</b>		
Cash	19,515	–
Other receivables	19,271	105,182
<b>Total financial assets at amortized cost</b>	<b>38,786</b>	<b>105,182</b>
<b>Total assets</b>	<b>11,154,622</b>	<b>8,261,264</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	51,886	41,698
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>51,886</b>	<b>41,698</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,231,785	(81,068)
<b>Total net gains (losses)</b>	<b>1,231,785</b>	<b>(81,068)</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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



# Sun Life MFS International Growth Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	4,199,574	3,688,735
Cash	–	120,495
Due from investment dealers	1,285	68,090
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	195	145
	4,201,054	3,877,465
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	39,231	–
Accrued expenses	703	562
Redemptions payable	–	68,603
Distributions payable	–	–
Due to investment dealers	402	96,668
Management fees payable	6,147	4,878
Income tax payable	3,277	3,805
Total liabilities (excluding net assets attributable to holders of redeemable shares)	49,760	174,516
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	4,151,294	3,702,949
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	2,365,658	2,100,944
Series AT5	24,238	20,224
Series AT8	325,036	254,608
Series E	–	–
Series EF	–	–
Series F	162,354	104,825
Series O	1,274,008	1,222,348
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	13.75	12.26
Series AT5	16.93	15.49
Series AT8	15.03	13.94
Series E	–	–
Series EF	–	–
Series F	14.34	12.74
Series O	13.24	11.69

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	16	157
Distributions from underlying funds	13,083	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	24,812	16,562
Change in unrealized appreciation (depreciation) in value of investments	530,333	(177,952)
<b>Net gains (losses) on investments</b>	568,244	(161,233)
<b>Total income (loss)</b>	568,244	(161,233)
<b>Expenses (note 5)</b>		
Management fees	28,174	27,887
Administration fees	3,280	3,221
Independent review committee fees	37	20
Total operating expenses	31,491	31,128
Expenses waived/absorbed by the Manager	–	–
<b>Operating Profit (Loss)</b>	536,753	(192,361)
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	536,753	(192,361)
Income taxes	5,994	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	530,759	(192,361)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	286,881	(69,245)
Series AT5	3,067	(1,218)
Series AT8	38,423	(15,723)
Series E	–	(43,459)
Series EF	–	(650)
Series F	20,615	(15,956)
Series O	181,773	(46,110)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	167,833	169,989
Series AT5	1,398	1,246
Series AT8	19,998	16,678
Series E	–	55,037
Series EF	–	1,000
Series F	10,553	27,871
Series O	101,169	101,534
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.71	(0.41)
Series AT5	2.19	(0.98)
Series AT8	1.92	(0.94)
Series E	–	(0.79)
Series EF	–	(0.65)
Series F	1.95	(0.57)
Series O	1.80	(0.45)

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

# Sun Life MFS International Growth Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series AT5	Series AT5	Series AT8	Series AT8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	2,100,944	1,396,236	20,224	20,906	254,608	266,054
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	286,881	(69,245)	3,067	(1,218)	38,423	(15,723)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	337,031	1,284,188	950	–	89,881	–
Redemption of redeemable shares	(358,626)	(507,645)	–	–	(46,404)	(3,519)
Reinvestment of distributions to holders of redeemable shares	44,376	18,405	1,025	725	4,335	1,694
Capitalized distributions	–	–	–	–	–	–
	22,781	794,948	1,975	725	47,812	(1,825)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(44,410)	(17,840)	(470)	(161)	(4,734)	(2,032)
From net investment income	(538)	(445)	(558)	(543)	(11,073)	(10,617)
Return of capital	–	–	–	–	–	–
	(44,948)	(18,285)	(1,028)	(704)	(15,807)	(12,649)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	264,714	707,418	4,014	(1,197)	70,428	(30,197)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>2,365,658</b>	<b>2,103,654</b>	<b>24,238</b>	<b>19,709</b>	<b>325,036</b>	<b>235,857</b>

  

	2017	2016	2017	2016	2017	2016
	Series E	Series E	Series EF	Series EF	Series F	Series F
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	674,731	–	9,957	104,825	231,023
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(43,459)	–	(650)	20,615	(15,956)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	10,750	–	–	38,922	265,606
Redemption of redeemable shares	–	(641,971)	–	(9,307)	(2,009)	(446,372)
Reinvestment of distributions to holders of redeemable shares	–	43	–	1	3,063	3,422
Capitalized distributions	–	–	–	–	–	–
	–	(631,178)	–	(9,306)	39,976	(177,344)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	(3,058)	(3,756)
From net investment income	–	(94)	–	(1)	(4)	(14)
Return of capital	–	–	–	–	–	–
	–	(94)	–	(1)	(3,062)	(3,770)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(674,731)	–	(9,957)	57,529	(197,070)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	–	–	<b>162,354</b>	<b>33,953</b>

	2017	2016	2017	2016
	Series O	Series O	Total	Total
	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,222,348	984,431	3,702,949	3,583,338
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	181,773	(46,110)	530,759	(192,361)
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	138,256	459,013	605,040	2,019,557
Redemption of redeemable shares	(268,369)	(246,990)	(675,408)	(1,855,804)
Reinvestment of distributions to holders of redeemable shares	27,152	8,869	79,951	33,159
Capitalized distributions	–	–	–	–
	(102,961)	220,892	9,583	196,912
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(27,152)	(8,868)	(79,824)	(32,657)
From net investment income	–	–	(12,173)	(11,714)
Return of capital	–	–	–	–
	(27,152)	(8,868)	(91,997)	(44,371)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	51,660	165,914	448,345	(39,820)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>1,274,008</b>	<b>1,150,345</b>	<b>4,151,294</b>	<b>3,543,518</b>

  

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series AT5	Series AT5	Series AT8	Series AT8
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	171,358	109,019	1,306	1,224	18,256	16,717
Shares issued	25,819	107,664	61	–	6,345	–
Shares issued on reinvestment of distributions	3,623	1,573	64	46	291	117
Shares redeemed	(28,778)	(42,333)	–	–	(3,264)	(245)
<b>Balance – end of period</b>	<b>172,022</b>	<b>175,923</b>	<b>1,431</b>	<b>1,270</b>	<b>21,628</b>	<b>16,589</b>

  

	2017	2016	2017	2016	2017	2016
	Series E	Series E	Series EF	Series EF	Series F	Series F
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	58,829	–	1,000	8,228	17,544
Shares issued	–	968	–	–	3,009	21,113
Shares issued on reinvestment of distributions	–	4	–	–	237	284
Shares redeemed	–	(59,801)	–	(1,000)	(155)	(36,194)
<b>Balance – end of period</b>	–	–	–	–	<b>11,319</b>	<b>2,747</b>

  

	2017	2016	2017	2016
	Series O	Series O	Total	Total
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	104,549	82,399	303,697	286,732
Shares issued	11,345	40,578	46,579	170,323
Shares issued on reinvestment of distributions	2,293	810	6,508	2,834
Shares redeemed	(21,931)	(21,791)	(54,128)	(161,364)
<b>Balance – end of period</b>	<b>96,256</b>	<b>101,996</b>	<b>302,656</b>	<b>298,525</b>

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

# Sun Life MFS International Growth Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	530,759	(192,361)
Adjustments for:		
Net realized (gain) loss on sale of investments	(24,812)	(16,562)
Change in unrealized (appreciation) depreciation in value of investments	(530,333)	177,952
Non-cash income distributions from underlying funds	(13,083)	–
Purchases of investments	(535,753)	(1,397,809)
Proceeds from sale of investments	563,681	1,137,690
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	1,269	4,044
Change in other payables and accrued expenses	141	487
Change in income tax payable	(528)	(2,019)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(8,659)</b>	<b>(288,578)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(12,046)	(11,234)
Proceeds from redeemable shares issued	604,990	2,061,327
Redemption of redeemable shares	(744,011)	(1,852,023)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(151,067)</b>	<b>198,070</b>
Net increase (decrease) in cash	(159,726)	(90,508)
Cash (bank indebtedness) at beginning of period	120,495	87,609
<b>Cash (bank indebtedness) at end of period</b>	<b>(39,231)</b>	<b>(2,899)</b>
Interest received	16	157
Income taxes paid	(6,522)	–
Interest paid	–	–

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

# Sun Life MFS International Growth Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Growth Fund, Series I	245,368	3,622,584	4,199,574	
		<b>3,622,584</b>	<b>4,199,574</b>	<b>101.16</b>
<b>Total Investments</b>		<b>3,622,584</b>	<b>4,199,574</b>	<b>101.16</b>
<b>Other Assets less Liabilities</b>			<b>(48,280)</b>	<b>(1.16)</b>
<b>Total Net Assets</b>			<b>4,151,294</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

Ratings for securities that subject the Fund to credit risk as at June 30, 2017 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	0.95
AA/Aa	–
<b>Total</b>	<b>0.95</b>

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	–
AA/Aa	0.93
<b>Total</b>	<b>0.93</b>

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

#### (b) Market risk

##### i) Currency risk

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

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2017	
Euro	1,383,955	33.34
United States Dollar	701,727	16.90
British Pound	608,558	14.66
Swiss Franc	576,854	13.90
Japanese Yen	376,527	9.07
Hong Kong Dollar	120,398	2.90
Australian Dollar	68,360	1.65
Danish Krone	50,941	1.23
Singapore Dollar	42,147	1.02
Mexican Peso	41,846	1.01
Indian Rupee	40,899	0.99
Swedish Krona	34,353	0.83
Korean Won	19,265	0.46
New Taiwan Dollar	15,952	0.38
<b>Total</b>	<b>4,081,782</b>	<b>98.34</b>

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

# Sun Life MFS International Growth Class (Continued)

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
<b>December 31, 2016</b>		
Euro	1,193,818	32.24
United States Dollar	593,041	16.02
British Pound	584,011	15.77
Swiss Franc	512,119	13.83
Japanese Yen	353,662	9.55
Hong Kong Dollar	95,338	2.57
Australian Dollar	53,989	1.46
Danish Krone	61,151	1.65
Singapore Dollar	39,981	1.08
Mexican Peso	29,701	0.80
Indian Rupee	23,139	0.62
Swedish Krona	39,323	1.06
Korean Won	17,295	0.47
New Taiwan Dollar	12,537	0.34
<b>Total</b>	<b>3,609,105</b>	<b>97.46</b>

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$204,089 (\$180,455 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## ii) Interest rate risk

During 2016, the Underlying Fund began investing in short-term investments. As a result, the Fund is exposed to interest rate risk as a result of its investment in the Underlying Fund.

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

	June 30, 2017 (\$)
Less than 1 year	39,427
1-5 years	–
More than 5 years	–
<b>Total</b>	<b>39,427</b>
	December 31, 2016 (\$)
Less than 1 year	34,483
1-5 years	–
More than 5 years	–
<b>Total</b>	<b>34,483</b>

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$14 (\$3 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$204,639 (\$181,989 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Short-Term Investments</b>		
Treasury Bills	1.0	–
<b>Term Deposit Receipts</b>	–	0.9
Equities		
Energy	1.8	1.6
Materials	6.9	6.1
Industrials	9.8	10.9
Consumer Discretionary	10.6	10.9
Consumer Staples	19.9	20.5
Health Care	16.9	17.1
Financials	12.0	12.2
Information Technology	19.6	18.0
Telecommunication Services	1.0	1.0
<b>Other Assets less Liabilities</b>	0.5	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies 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 accompanying notes are an integral part of the financial statements.*

# Sun Life MFS International Growth Class (Continued)

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	4,199,574	–	–	4,199,574

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AT5	862	14,590

  

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

### Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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

# Sun Life MFS International Growth Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	4,199,574	3,688,735
<b>Total financial assets at fair value through profit or loss</b>	<b>4,199,574</b>	<b>3,688,735</b>
<b>Financial assets at amortized cost</b>		
Cash	–	120,495
Other receivables	1,480	68,235
<b>Total financial assets at amortized cost</b>	<b>1,480</b>	<b>188,730</b>
<b>Total assets</b>	<b>4,201,054</b>	<b>3,877,465</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	49,760	174,516
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>49,760</b>	<b>174,516</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	568,244	(161,233)
<b>Total net gains (losses)</b>	<b>568,244</b>	<b>(161,233)</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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



# Sun Life MFS U.S. Growth Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	12,866,930	8,669,663
Cash	93,106	24,101
Due from investment dealers	27,167	283,445
Accrued interest	—	—
Distributions receivable from underlying funds	—	—
Subscriptions receivable	8,583	533
	<b>12,995,786</b>	<b>8,977,742</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	—	—
Accrued expenses	2,053	1,388
Redemptions payable	5,276	250,695
Distributions payable	—	—
Due to investment dealers	850	37,719
Management fees payable	18,210	12,457
Income tax payable	—	—
Total liabilities (excluding net assets attributable to holders of redeemable shares)	26,389	302,259
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>12,969,397</b>	<b>8,675,483</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	7,288,220	5,402,458
Series AT5	188,587	113,896
Series AT8	290,746	369,714
Series E	—	—
Series EF	—	—
Series F	1,613,069	342,405
Series O	3,588,775	2,447,010
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	17.63	16.09
Series AT5	21.82	20.38
Series AT8	19.37	18.37
Series E	—	—
Series EF	—	—
Series F	18.40	16.70
Series O	15.58	14.06

Approved on behalf of the Board of Directors

“signed” Rick Headrick	“signed” Paul Sergi
Director	Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	28	318
Distributions from underlying funds	12,224	—
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	80,823	154,124
Change in unrealized appreciation (depreciation) in value of investments	1,024,894	(807,954)
<b>Net gains (losses) on investments</b>	<b>1,117,969</b>	<b>(653,512)</b>
<b>Total income (loss)</b>	<b>1,117,969</b>	<b>(653,512)</b>
<b>Expenses (note 5)</b>		
Management fees	78,137	64,635
Administration fees	8,586	7,779
Independent review committee fees	97	48
Total operating expenses	86,820	72,462
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	1,031,149	(725,974)
<b>Finance Cost</b>		
Interest expense	—	—
<b>Net income (loss) before income taxes</b>	<b>1,031,149</b>	<b>(725,974)</b>
Income taxes	—	—
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,031,149</b>	<b>(725,974)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	680,069	(163,998)
Series AT5	19,922	(6,424)
Series AT8	33,663	(12,657)
Series E	—	(186,363)
Series EF	—	(1,103)
Series F	(24,278)	(151,639)
Series O	321,773	(203,790)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	372,294	310,685
Series AT5	8,149	6,208
Series AT8	15,724	9,997
Series E	—	124,051
Series EF	—	1,000
Series F	32,305	65,254
Series O	189,860	226,772
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.83	(0.53)
Series AT5	2.44	(1.03)
Series AT8	2.14	(1.27)
Series E	—	(1.50)
Series EF	—	—
Series F	(0.75)	(2.32)
Series O	1.69	(0.90)

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

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

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series AT8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	5,402,458	3,038,826	113,896	101,424	369,714	250,274
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	680,069	(1,63,998)	19,922	(6,424)	33,663	(12,657)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,918,782	3,072,276	60,000	54,040	51,761	101,009
Redemption of redeemable shares	(713,093)	(857,822)	–	(15,684)	(150,788)	(105,814)
Reinvestment of distributions to holders of redeemable shares	146,828	160,472	3,693	1,944	4,517	817
Capitalized distributions	–	–	–	–	–	–
	1,352,517	2,374,926	63,693	40,300	(94,510)	(3,988)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(145,751)	(159,816)	(4,514)	(4,203)	(7,054)	(4,144)
From net investment income	(1,073)	(616)	(4,410)	(3,602)	(11,067)	(8,681)
Return of capital	–	–	–	–	–	–
	(146,824)	(160,432)	(8,924)	(7,805)	(18,121)	(12,825)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,885,762	2,050,496	74,691	26,071	(78,968)	(29,470)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>7,288,220</b>	<b>5,089,322</b>	<b>188,587</b>	<b>127,495</b>	<b>290,746</b>	<b>220,804</b>
	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	1,839,867	–	10,492	342,405	1,872,849
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(186,363)	–	(1,103)	(24,278)	(151,639)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	12,997	–	–	1,314,810	49,639
Redemption of redeemable shares	–	(1,666,388)	–	(9,389)	(19,876)	(1,407,579)
Reinvestment of distributions to holders of redeemable shares	–	95	–	1	9,101	49,882
Capitalized distributions	–	–	–	–	–	–
	–	(1,653,296)	–	(9,388)	1,304,035	(1,308,058)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	(9,007)	(49,762)
From net investment income	–	(208)	–	(1)	(86)	(101)
Return of capital	–	–	–	–	–	–
	–	(208)	–	(1)	(9,093)	(49,863)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(1,839,867)	–	(10,492)	1,270,664	(1,509,560)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	–	–	<b>1,613,069</b>	<b>363,289</b>

	2017	2016	2017	2016
	Series O	(\$)	Total	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	2,447,010	3,962,211	8,675,483	11,075,943
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	321,773	(203,790)	1,031,149	(725,974)
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	982,668	450,878	4,328,021	3,740,839
Redemption of redeemable shares	(162,676)	(1,205,026)	(1,046,433)	(5,267,702)
Reinvestment of distributions to holders of redeemable shares	65,369	88,088	229,508	301,299
Capitalized distributions	–	–	–	–
	885,361	(666,060)	3,511,096	(1,225,564)
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(65,369)	(88,088)	(231,695)	(306,013)
From net investment income	–	–	(16,636)	(13,209)
Return of capital	–	–	–	–
	(65,369)	(88,088)	(248,331)	(319,222)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,141,765	(957,938)	4,293,914	(2,270,760)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>3,588,775</b>	<b>3,004,273</b>	<b>12,969,397</b>	<b>8,805,183</b>
	2017	2016	2017	2016
	Series A		Series AT5	Series AT8
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	335,771	178,026	5,588	4,437
Shares issued	110,194	197,412	2,880	2,608
Shares issued on reinvestment of distributions	8,760	10,672	175	97
Shares redeemed	(41,351)	(55,867)	–	(789)
<b>Balance – end of period</b>	<b>413,374</b>	<b>330,243</b>	<b>8,643</b>	<b>6,353</b>
	2017	2016	2017	2016
	Series E		Series EF	Series F
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	–	130,943	–	1,000
Shares issued	–	950	–	–
Shares issued on reinvestment of distributions	–	7	–	–
Shares redeemed	–	(131,900)	–	(1,000)
<b>Balance – end of period</b>	–	–	–	<b>87,656</b>
	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	173,999	271,436	555,988	704,386
Shares issued	62,843	34,066	246,262	243,481
Shares issued on reinvestment of distributions	4,457	6,826	14,148	20,869
Shares redeemed	(10,931)	(86,840)	(61,349)	(371,830)
<b>Balance – end of period</b>	<b>230,368</b>	<b>225,488</b>	<b>755,049</b>	<b>596,906</b>

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

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

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,031,149	(725,974)
Adjustments for:		
Net realized (gain) loss on sale of investments	(80,823)	(154,124)
Change in unrealized (appreciation) depreciation in value of investments	(1,024,894)	807,954
Non-cash income distributions from underlying funds	(12,224)	-
Purchases of investments	(3,684,410)	(1,712,126)
Proceeds from sale of investments	824,493	2,933,318
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	5,753	9,686
Change in other payables and accrued expenses	665	1,122
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,940,291)</b>	<b>1,159,856</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(18,823)	(17,924)
Proceeds from redeemable shares issued	4,319,971	3,809,056
Redemption of redeemable shares	(1,291,852)	(4,972,252)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,009,296</b>	<b>(1,181,120)</b>
Net increase (decrease) in cash	69,005	(21,264)
Cash (bank indebtedness) at beginning of period	24,101	23,034
<b>Cash (bank indebtedness) at end of period</b>	<b>93,106</b>	<b>1,770</b>
Interest received	28	318
Income taxes paid	-	-
Interest paid	-	-

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

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

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS U.S. Growth Fund, Series I	422,512	11,086,824	12,866,930	
		<b>11,086,824</b>	<b>12,866,930</b>	<b>99.21</b>
<b>Total Investments</b>		<b>11,086,824</b>	<b>12,866,930</b>	<b>99.21</b>
<b>Other Assets less Liabilities</b>			<b>102,467</b>	<b>0.79</b>
<b>Total Net Assets</b>			<b>12,969,397</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Underlying Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	2.13
AA/Aa	–
<b>Total</b>	<b>2.13</b>

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	3.18
AA/Aa	0.21
<b>Total</b>	<b>3.39</b>

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

#### (b) Market risk

##### i) Currency risk

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

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	12,455,068	96.03
Euro	79,934	0.62
<b>Total</b>	<b>12,535,002</b>	<b>96.65</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	8,238,527	94.96
Euro	59,073	0.68
<b>Total</b>	<b>8,297,600</b>	<b>95.64</b>

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all

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

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

other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$626,750 (\$414,880 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	276,108
1-5 years	–
More than 5 years	–
<b>Total</b>	<b>276,108</b>
	December 31, 2016 (\$)
Less than 1 year	294,031
1-5 years	–
More than 5 years	–
<b>Total</b>	<b>294,031</b>

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$38 (\$349 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$626,294 (\$418,554 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Short-Term Investments</b>		
Treasury Bills	2.1	3.2
Term Deposit Receipts	–	0.2
<b>Equities</b>		
Energy	0.6	1.3
Materials	3.8	3.9
Industrials	8.6	9.2
Consumer Discretionary	15.9	19.6
Consumer Staples	5.8	5.6
Health Care	13.8	11.7
Financials	7.9	10.6
Real Estate	2.4	–
Information Technology	37.7	34.6
Telecommunication Services	0.1	–
<b>Other Assets less Liabilities</b>	1.3	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined

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

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

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 cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	12,866,930	–	–	12,866,930

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.16	3

  

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	12,866,930	8,669,663
<b>Total financial assets at fair value through profit or loss</b>	<b>12,866,930</b>	<b>8,669,663</b>
<b>Financial assets at amortized cost</b>		
Cash	93,106	24,101
Other receivables	35,750	283,978
<b>Total financial assets at amortized cost</b>	<b>128,856</b>	<b>308,079</b>
<b>Total assets</b>	<b>12,995,786</b>	<b>8,977,742</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	26,389	302,259
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>26,389</b>	<b>302,259</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,117,969	(653,512)
<b>Total net gains (losses)</b>	<b>1,117,969</b>	<b>(653,512)</b>

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

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

## Establishment of the Fund

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

	<b>Date of creation</b>	<b>Date available for sale</b>
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series AT8 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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



# Sun Life Money Market Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	10,616,032	13,552,343
Cash	–	–
Due from investment dealers	26,126	–
Accrued interest	–	–
Distributions receivable from underlying funds	6,762	7,083
Subscriptions receivable	–	335
	<b>10,648,920</b>	<b>13,559,761</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank indebtedness	5,677	43,421
Accrued expenses	22	–
Redemptions payable	–	2,900
Distributions payable	–	–
Due to investment dealers	6,762	7,083
Management fees payable	4,799	5,305
Income tax payable	5,275	7,918
Total liabilities (excluding net assets attributable to holders of redeemable shares)	22,535	66,627
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>10,626,385</b>	<b>13,493,134</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	6,716,246	9,206,773
Series E	–	–
Series EF	–	–
Series F	2,320,987	819,413
Series O	1,589,152	3,466,948
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	10.07	10.07
Series E	–	–
Series EF	–	–
Series F	10.17	10.16
Series O	10.24	10.21

Approved on behalf of the Board of Directors

"signed" Rick Headrick

Director

"signed" Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	–	–
Distributions from underlying funds	41,711	37,404
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	–	–
Change in unrealized appreciation (depreciation) in value of investments	–	–
<b>Net gains (losses) on investments</b>	<b>41,711</b>	<b>37,404</b>
<b>Total income (loss)</b>	<b>41,711</b>	<b>37,404</b>
<b>Expenses (note 5)</b>		
Management fees	24,699	21,958
Administration fees	–	–
Independent review committee fees	114	55
Total operating expenses	24,813	22,013
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	16,898	15,391
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>16,898</b>	<b>15,391</b>
Income taxes	7,854	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>9,044</b>	<b>15,391</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	171	5,315
Series E	–	299
Series EF	–	5
Series F	1,330	1,291
Series O	7,543	8,481
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	848,537	726,539
Series E	–	379,588
Series EF	–	1,000
Series F	98,179	58,120
Series O	265,555	255,106
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	–	0.01
Series E	–	–
Series EF	–	0.01
Series F	0.01	0.02
Series O	0.03	0.03

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

# Sun Life Money Market Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	9,206,773	3,265,493	–	4,603,854	–	10,010
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	171	5,315	–	299	–	5
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	6,145,773	16,276,599	–	533,266	–	–
Redemption of redeemable shares	(8,636,471)	(9,820,425)	–	(5,137,419)	–	(10,014)
Reinvestment of distributions to holders of redeemable shares	–	606	–	–	–	–
Capitalized distributions	–	–	–	–	–	–
	(2,490,698)	6,456,780	–	(4,604,153)	–	(10,014)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	–	–
From net investment income	–	(606)	–	–	–	(1)
Return of capital	–	–	–	–	–	–
	–	(606)	–	–	–	(1)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(2,490,527)	6,461,489	–	(4,603,854)	–	(10,010)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>6,716,246</b>	<b>9,726,982</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series O	Series O	Total	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	819,413	582,463	3,466,948	1,994,372	13,493,134	10,456,192
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	1,330	1,291	7,543	8,481	9,044	15,391
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	2,147,537	57,281	1,897,173	3,018,477	10,190,483	19,885,623
Redemption of redeemable shares	(647,293)	(23,546)	(3,782,512)	(3,316,361)	(13,066,276)	(18,307,765)
Reinvestment of distributions to holders of redeemable shares	–	109	–	–	–	715
Capitalized distributions	–	–	–	–	–	–
	1,500,244	33,844	(1,885,339)	(297,884)	(2,875,793)	1,578,573
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	–	–	–	–
From net investment income	–	(109)	–	–	–	(716)
Return of capital	–	–	–	–	–	–
	–	(109)	–	–	–	(716)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	1,501,574	35,026	(1,877,796)	(289,403)	(2,866,749)	1,593,248
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>2,320,987</b>	<b>617,489</b>	<b>1,589,152</b>	<b>1,704,969</b>	<b>10,626,385</b>	<b>12,049,440</b>

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	914,505	324,602	–	458,884	–	1,000
Shares issued	610,383	1,617,585	–	53,152	–	–
Shares issued on reinvestment of distributions	–	60	–	–	–	–
Shares redeemed	(857,769)	(975,965)	–	(512,036)	–	(1,000)
<b>Balance – end of period</b>	<b>667,119</b>	<b>966,282</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series O	Series O	Total	Total
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	80,650	57,531	339,532	196,539	1,334,687	1,038,556
Shares issued	211,113	5,650	185,572	297,164	1,007,068	1,973,551
Shares issued on reinvestment of distributions	–	10	–	–	–	70
Shares redeemed	(63,650)	(2,323)	(369,900)	(326,256)	(1,291,319)	(1,817,580)
<b>Balance – end of period</b>	<b>228,113</b>	<b>60,868</b>	<b>155,204</b>	<b>167,447</b>	<b>1,050,436</b>	<b>1,194,597</b>

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

# Sun Life Money Market Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	9,044	15,391
Adjustments for:		
Net realized (gain) loss on sale of investments	-	-
Change in unrealized (appreciation) depreciation in value of investments	-	-
Non-cash income distributions from underlying funds	(41,711)	(37,404)
Purchases of investments	(7,378,728)	(14,876,568)
Proceeds from sale of investments	10,330,303	13,199,142
Change in accrued interest	-	317
Change in distributions receivable from underlying funds	321	(1,437)
Change in management fees payable	(506)	4,186
Change in other payables and accrued expenses	22	55
Change in income tax payable	(2,643)	(5,094)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,916,102</b>	<b>(1,701,412)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	-	(1)
Proceeds from redeemable shares issued	10,190,818	19,885,623
Redemption of redeemable shares	(13,069,176)	(18,307,765)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(2,878,358)</b>	<b>1,577,857</b>
Net increase (decrease) in cash	37,744	(123,555)
Cash (bank indebtedness) at beginning of period	(43,421)	(86,743)
<b>Cash (bank indebtedness) at end of period</b>	<b>(5,677)</b>	<b>(210,298)</b>
Interest received	-	317
Income taxes paid	(10,497)	-
Interest paid	-	-

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

# Sun Life Money Market Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Money Market Fund, Series I	1,061,603	10,616,032	10,616,032	
		<b>10,616,032</b>	<b>10,616,032</b>	<b>99.90</b>
<b>Total Investments</b>		<b>10,616,032</b>	<b>10,616,032</b>	<b>99.90</b>
<b>Other Assets less Liabilities</b>			<b>10,353</b>	<b>0.10</b>
<b>Total Net Assets</b>			<b>10,626,385</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	56.80
AA/Aa	43.00
<b>Total</b>	<b>99.80</b>

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	56.20
AA/Aa	44.00
<b>Total</b>	<b>100.20</b>

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

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

	June 30, 2017 (\$)
3 months - 1 year	10,602,585
1-5 years	—
More than 5 years	—
<b>Total</b>	<b>10,602,585</b>

	December 31, 2016 (\$)
3 months - 1 year	13,517,119
1-5 years	—
More than 5 years	—
<b>Total</b>	<b>13,517,119</b>

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$21,984 (\$23,630 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable

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

# Sun Life Money Market Class (Continued)

and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Short-Term Investments</b>		
Bank Acceptance	58.0	53.6
Commercial Papers	26.3	20.5
Canadian Corporate	11.6	14.0
Bearer Deposit Notes	4.0	7.8
Promissory Notes	–	3.8
<b>Other Assets less Liabilities</b>	0.1	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires

significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	10,616,032	–	–	10,616,032
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	13,552,343	–	–	13,552,343

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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

# Sun Life Money Market Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	10,616,032	13,552,343
<b>Total financial assets at fair value through profit or loss</b>	<b>10,616,032</b>	<b>13,552,343</b>
<b>Financial assets at amortized cost</b>		
Cash	–	–
Other receivables	32,888	7,418
<b>Total financial assets at amortized cost</b>	<b>32,888</b>	<b>7,418</b>
<b>Total assets</b>	<b>10,648,920</b>	<b>13,559,761</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	22,535	66,627
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>22,535</b>	<b>66,627</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	41,711	37,404
<b>Total net gains (losses)</b>	<b>41,711</b>	<b>37,404</b>

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Sentry Value Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	23,901,087	18,773,776
Cash	–	133,060
Due from investment dealers	41,732	73,791
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	169,005	6,704
	24,111,824	18,987,331
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	95,685	–
Accrued expenses	1,659	1,413
Redemptions payable	75,442	30,194
Distributions payable	–	140
Due to investment dealers	150,664	122,720
Management fees payable	12,429	10,037
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	335,879	164,504
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	23,775,945	18,822,827
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,585,127	4,969,968
Series AT5	77,772	69,552
Series E	–	–
Series EF	–	–
Series F	493,976	399,160
Series I	13,580,078	9,418,145
Series O	4,038,992	3,966,002
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.60	12.54
Series AT5	15.55	15.88
Series E	–	–
Series EF	–	–
Series F	13.16	13.03
Series I	10.70	10.53
Series O	11.81	11.63

Approved on behalf of the Board of Directors

“signed” Rick Headrick

Director

“signed” Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	41	34
Distributions from underlying funds	359,888	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	28,111	(32,626)
Change in unrealized appreciation (depreciation) in value of investments	664,881	426,601
<b>Net gains (losses) on investments</b>	1,052,921	394,009
<b>Total income (loss)</b>	1,052,921	394,009
<b>Expenses (note 5)</b>		
Management fees	61,163	44,197
Administration fees	8,218	6,201
Independent review committee fees	91	57
Total operating expenses	69,472	50,455
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	983,449	343,554
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	983,449	343,554
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	983,449	343,554
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	206,717	123,523
Series AT5	2,934	1,196
Series E	–	(55,490)
Series EF	–	(429)
Series F	20,953	12,248
Series I	568,767	150,167
Series O	184,078	112,339
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	430,267	320,160
Series AT5	4,832	3,664
Series E	–	122,371
Series EF	–	1,019
Series F	36,472	30,420
Series I	1,102,113	386,281
Series O	333,948	302,098
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.48	0.39
Series AT5	0.61	0.33
Series E	–	(0.45)
Series EF	–	(0.42)
Series F	0.57	0.40
Series I	0.52	0.39
Series O	0.55	0.37

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



# Sun Life Sentry Value Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	4,969,968	3,005,429	69,552	53,287	–	1,259,361
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	206,717	123,523	2,934	1,196	–	(55,490)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	1,017,879	1,808,681	5,208	5,940	–	1,500
Redemption of redeemable shares	(606,754)	(900,753)	–	–	–	(1,205,290)
Reinvestment of distributions to holders of redeemable shares	172,885	102,270	4,540	2,010	–	69
Capitalized distributions	–	–	–	–	–	–
	584,010	1,010,198	9,748	7,950	–	(1,203,721)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(174,609)	(101,941)	(2,510)	(1,399)	–	–
From net investment income	–	(435)	(1,935)	(1,471)	–	(150)
Return of capital	(959)	–	(17)	–	–	–
	(175,568)	(102,376)	(4,462)	(2,870)	–	(150)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	615,159	1,031,345	8,220	6,276	–	(1,259,361)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>5,585,127</b>	<b>4,036,774</b>	<b>77,772</b>	<b>59,563</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	–	9,970	399,160	314,097	9,418,145	2,838,530
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	–	(429)	20,953	12,248	568,767	150,167
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	–	–	86,854	74,541	4,095,760	2,682,721
Redemption of redeemable shares	–	(9,541)	(12,057)	(9,134)	(502,596)	(194,981)
Reinvestment of distributions to holders of redeemable shares	–	1	14,401	9,966	354,736	85,686
Capitalized distributions	–	–	–	–	–	–
	–	(9,540)	89,198	75,373	3,947,900	2,573,426
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	–	–	(15,230)	(8,700)	(354,734)	(85,511)
From net investment income	–	(1)	–	(69)	–	–
Return of capital	–	–	(105)	–	–	–
	–	(1)	(15,335)	(8,769)	(354,734)	(85,511)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	–	(9,970)	94,816	78,852	4,161,933	2,638,082
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	–	–	<b>493,976</b>	<b>392,949</b>	<b>13,580,078</b>	<b>5,476,612</b>

	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	3,966,002	2,946,413	18,822,827	10,427,087
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	184,078	112,339	983,449	343,554
<b>Redeemable Share Transactions</b>				
Proceeds from redeemable shares issued	400,692	697,082	5,606,393	5,270,465
Redemption of redeemable shares	(511,780)	(153,705)	(1,633,187)	(2,473,404)
Reinvestment of distributions to holders of redeemable shares	123,150	80,413	669,712	280,415
Capitalized distributions	–	–	–	–
	12,062	623,790	4,642,918	3,077,476
<b>Distributions to Holders of Redeemable Shares</b>				
From capital gains	(123,150)	(79,777)	(670,233)	(277,328)
From net investment income	–	–	(1,935)	(2,126)
Return of capital	–	–	(1,081)	–
	(123,150)	(79,777)	(673,249)	(279,454)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	72,990	656,352	4,953,118	3,141,576
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>4,038,992</b>	<b>3,602,765</b>	<b>23,775,945</b>	<b>13,568,663</b>

  

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	396,206	255,580	4,379	3,400	–	122,565
Shares issued	80,859	159,843	328	386	–	155
Shares issued on reinvestment of distributions	14,249	9,190	294	135	–	7
Shares redeemed	(48,116)	(79,577)	–	–	–	(122,727)
<b>Balance – end of period</b>	<b>443,198</b>	<b>345,036</b>	<b>5,001</b>	<b>3,921</b>	<b>–</b>	<b>–</b>

  

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	–	1,019	30,644	26,007	894,568	294,358
Shares issued	–	–	6,681	6,416	387,172	281,074
Shares issued on reinvestment of distributions	–	–	1,133	865	34,531	9,354
Shares redeemed	–	(1,019)	(914)	(766)	(47,132)	(20,536)
<b>Balance – end of period</b>	<b>–</b>	<b>–</b>	<b>37,544</b>	<b>32,522</b>	<b>1,269,139</b>	<b>564,250</b>

  

	2017	2016	2017	2016
	Series O		Total	
<b>Redeemable Share Transactions</b>				
<b>Balance – beginning of period</b>	341,147	276,251	1,666,944	979,180
Shares issued	34,242	66,292	509,282	514,166
Shares issued on reinvestment of distributions	10,859	7,937	61,066	27,488
Shares redeemed	(44,114)	(14,604)	(140,276)	(239,229)
<b>Balance – end of period</b>	<b>342,134</b>	<b>335,876</b>	<b>2,097,016</b>	<b>1,281,605</b>

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

# Sun Life Sentry Value Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	983,449	343,554
Adjustments for:		
Net realized (gain) loss on sale of investments	(28,111)	32,626
Change in unrealized (appreciation) depreciation in value of investments	(664,881)	(426,601)
Non-cash income distributions from underlying funds	(359,888)	–
Purchases of investments	(5,009,645)	(3,555,963)
Proceeds from sale of investments	995,217	724,602
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	2,392	6,892
Change in other payables and accrued expenses	246	1,085
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(4,081,221)</b>	<b>(2,873,805)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(3,677)	(1,109)
Proceeds from redeemable shares issued	5,444,092	5,309,664
Redemption of redeemable shares	(1,587,939)	(2,473,380)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,852,476</b>	<b>2,835,175</b>
Net increase (decrease) in cash	(228,745)	(38,630)
Cash (bank indebtedness) at beginning of period	133,060	36,868
<b>Cash (bank indebtedness) at end of period</b>	<b>(95,685)</b>	<b>(1,762)</b>
Interest received	41	34
Income taxes paid	–	–
Interest paid	–	–

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

# Sun Life Sentry Value Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Sentry Value Fund, Series I	1,631,585	22,706,156	23,901,087	
		<b>22,706,156</b>	<b>23,901,087</b>	<b>100.53</b>
<b>Total Investments</b>		<b>22,706,156</b>	<b>23,901,087</b>	<b>100.53</b>
<b>Other Assets less Liabilities</b>			<b>(125,142)</b>	<b>(0.53)</b>
<b>Total Net Assets</b>			<b>23,775,945</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	0.29
BB/Bb	—
<b>Total</b>	<b>0.29</b>

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	—
BB/Bb	0.25
<b>Total</b>	<b>0.25</b>

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

#### (b) Market risk

##### i) Currency risk

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

The tables below summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	2,342,319	9.85
<b>Total</b>	<b>2,342,319</b>	<b>9.85</b>

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	3,205,788	17.03
<b>Total</b>	<b>3,205,788</b>	<b>17.03</b>

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have

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

# Sun Life Sentry Value Class (Continued)

increased or decreased respectively by \$117,116 (\$160,289 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

## iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,098,497 (\$816,715 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Equities</b>		
Industrials	10.7	17.7
Energy	15.9	10.9
Consumer Discretionary	13.1	10.6
Consumer Staples	12.5	10.6
Real Estate	10.0	9.0
Materials	10.6	7.7
Health Care	5.8	5.4
Utilities	4.3	5.3
Information Technology	3.8	4.4
Telecommunication Services	2.6	2.7
Financials	3.1	2.5
<b>Other Assets less Liabilities</b>	7.6	13.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	23,901,087	–	–	23,901,087
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	18,773,776	–	–	18,773,776

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

# Sun Life Sentry Value Class (Continued)

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AT5	954	14,833
Series F	0.21	3
Series I	1,096	11,733
December 31, 2016		
	Units	Market Value (\$)
Series AT5	898	14,263
Series F	861	11,215
Series I	1,060	11,159

### Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Funds	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
Sun Life Sentry Value Fund	101%	28%
Underlying Funds	As at December 31, 2016	
	% of Net Assets	Ownership Interest %
Sun Life Sentry Value Fund	100%	20%

### Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	23,901,087	18,773,776
<b>Total financial assets at fair value through profit or loss</b>	<b>23,901,087</b>	<b>18,773,776</b>
<b>Financial assets at amortized cost</b>		
Cash	—	133,060
Other receivables	210,737	80,495
<b>Total financial assets at amortized cost</b>	<b>210,737</b>	<b>213,555</b>
<b>Total assets</b>	<b>24,111,824</b>	<b>18,987,331</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	335,879	164,504
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>335,879</b>	<b>164,504</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	—	—
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,052,921	394,009
<b>Total net gains (losses)</b>	<b>1,052,921</b>	<b>394,009</b>

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

# Sun Life Sentry Value Class (Continued)

## Establishment of the Fund

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

	<b>Date of creation</b>	<b>Date available for sale</b>
Series A Shares	July 29, 2013	August 1, 2013
Series AT5 Shares	July 29, 2013	August 1, 2013
Series F Shares	July 29, 2013	August 1, 2013
Series I Shares	May 1, 2015	May 1, 2015
Series O Shares	April 1, 2014	April 1, 2014

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

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

# Sun Life Sionna Canadian Small Cap Equity Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	96,141,233	41,784,588
Cash	—	30,393
Due from investment dealers	—	—
Accrued interest	—	—
Distributions receivable from underlying funds	—	—
Subscriptions receivable	202,282	91,976
	<b>96,343,515</b>	<b>41,906,957</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	175,268	—
Accrued expenses	5,237	2,240
Redemptions payable	69,425	207,517
Distributions payable	—	1,159
Due to investment dealers	130,736	50,718
Management fees payable	2,894	2,306
Income tax payable	—	—
Total liabilities (excluding net assets attributable to holders of redeemable shares)	383,560	263,940
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>95,959,955</b>	<b>41,643,017</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,210,846	1,045,498
Series AT5	14,198	9,945
Series E	—	—
Series F	147,123	52,680
Series I	94,332,156	40,371,661
Series O	255,632	163,233
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	9.17	9.37
Series AT5	12.18	12.76
Series E	—	—
Series F	9.40	9.55
Series I	9.70	9.79
Series O	9.67	9.76

Approved on behalf of the Board of Directors

“signed” Rick Headrick

Director

“signed” Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	—	—
Distributions from underlying funds	—	—
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	162,672	(8,480)
Change in unrealized appreciation (depreciation) in value of investments	(2,623,891)	1,760,281
<b>Net gains (losses) on investments</b>	<b>(2,461,219)</b>	<b>1,751,801</b>
<b>Total income (loss)</b>	<b>(2,461,219)</b>	<b>1,751,801</b>
<b>Expenses (note 5)</b>		
Management fees	14,771	7,433
Administration fees	20,338	7,873
Independent review committee fees	15	136
Total operating expenses	35,124	15,442
Expenses waived/absorbed by the Manager	—	—
<b>Operating Profit (Loss)</b>	<b>(2,496,343)</b>	<b>1,736,359</b>
<b>Finance Cost</b>		
Interest expense	—	—
<b>Net income (loss) before income taxes</b>	<b>(2,496,343)</b>	<b>1,736,359</b>
Income taxes	—	—
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>(2,496,343)</b>	<b>1,736,359</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(39,214)	39,634
Series AT5	(369)	397
Series E	—	(1,190)
Series F	(4,650)	1,369
Series I	(2,448,846)	1,690,573
Series O	(3,264)	5,576
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	129,727	76,155
Series AT5	890	729
Series E	—	3,076
Series F	12,303	2,917
Series I	6,850,326	3,047,258
Series O	24,935	12,348
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.30)	0.52
Series AT5	(0.41)	0.54
Series E	—	(0.39)
Series F	(0.38)	0.47
Series I	(0.36)	0.55
Series O	(0.13)	0.45

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



# Sun Life Sionna Canadian Small Cap Equity Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,045,498	318,978	9,945	8,402	-	25,564
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	(39,214)	39,634	(369)	397	-	(1,190)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	694,673	550,767	4,625	-	-	-
Redemption of redeemable shares	(490,116)	(15,802)	-	-	-	(24,374)
Reinvestment of distributions to holders of redeemable shares	290	15,494	302	474	-	1
Capitalized distributions	-	-	-	-	-	-
	204,847	550,459	4,927	474	-	(24,373)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(62)	(15,358)	-	(248)	-	-
From net investment income	(223)	(101)	(305)	(224)	-	(1)
Return of capital	-	-	-	-	-	-
	(285)	(15,459)	(305)	(472)	-	(1)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	165,348	574,634	4,253	399	-	(25,564)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>1,210,846</b>	<b>893,612</b>	<b>14,198</b>	<b>8,801</b>	<b>-</b>	<b>-</b>

  

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	52,680	12,085	40,371,661	21,905,277	163,233	92,226
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	(4,650)	1,369	(2,448,846)	1,690,573	(3,264)	5,576
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	100,145	18,743	60,826,188	7,033,993	100,285	28,110
Redemption of redeemable shares	(1,052)	-	(4,418,007)	(277,066)	(4,622)	(8,419)
Reinvestment of distributions to holders of redeemable shares	22	369	2,954	723,882	10	2,656
Capitalized distributions	-	-	-	-	-	-
	99,115	19,112	56,411,135	7,480,809	95,673	22,347
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(4)	(358)	(1,794)	(720,596)	(10)	(2,656)
From net investment income	(18)	(8)	-	-	-	-
Return of capital	-	-	-	-	-	-
	(22)	(366)	(1,794)	(720,596)	(10)	(2,656)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	94,443	20,115	53,960,495	8,450,786	92,399	25,267
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>147,123</b>	<b>32,200</b>	<b>94,332,156</b>	<b>30,356,063</b>	<b>255,632</b>	<b>117,493</b>

	2017	2016
	Total	Total
	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	41,643,017	22,362,532
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	(2,496,343)	1,736,359
<b>Redeemable Share Transactions</b>		
Proceeds from redeemable shares issued	61,725,916	7,631,613
Redemption of redeemable shares	(4,913,797)	(325,661)
Reinvestment of distributions to holders of redeemable shares	3,578	742,876
Capitalized distributions	-	-
	56,815,697	8,048,828
<b>Distributions to Holders of Redeemable Shares</b>		
From capital gains	(1,870)	(739,216)
From net investment income	(546)	(334)
Return of capital	-	-
	(2,416)	(739,550)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	54,316,938	9,045,637
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>95,959,955</b>	<b>31,408,169</b>

  

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	111,582	38,389	779	706	-	3,076
Shares issued	71,968	67,483	363	-	-	-
Shares issued on reinvestment of distributions	25	1,956	24	41	-	-
Shares redeemed	(51,574)	(1,913)	-	-	-	(3,076)
<b>Balance – end of period</b>	<b>132,001</b>	<b>105,915</b>	<b>1,166</b>	<b>747</b>	<b>-</b>	<b>-</b>

  

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	5,518	1,443	4,124,164	2,586,623	16,723	10,904
Shares issued	10,247	2,277	6,037,632	843,735	10,193	3,367
Shares issued on reinvestment of distributions	2	46	298	89,336	1	328
Shares redeemed	(110)	-	(440,605)	(32,774)	(475)	(1,075)
<b>Balance – end of period</b>	<b>15,657</b>	<b>3,766</b>	<b>9,721,489</b>	<b>3,486,920</b>	<b>26,442</b>	<b>13,524</b>

  

	2017	2016
	Total	Total
<b>Redeemable Share Transactions</b>		
<b>Balance – beginning of period</b>	4,258,766	2,641,141
Shares issued	6,130,403	916,862
Shares issued on reinvestment of distributions	350	91,707
Shares redeemed	(492,764)	(38,838)
<b>Balance – end of period</b>	<b>9,896,755</b>	<b>3,610,872</b>

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

# Sun Life Sionna Canadian Small Cap Equity Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	(2,496,343)	1,736,359
Adjustments for:		
Net realized (gain) loss on sale of investments	(162,672)	8,480
Change in unrealized (appreciation) depreciation in value of investments	2,623,891	(1,760,281)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(60,160,879)	(7,336,328)
Proceeds from sale of investments	3,423,033	64,050
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	588	1,815
Change in other payables and accrued expenses	2,997	1,647
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(56,769,385)</b>	<b>(7,284,258)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	3	40
Proceeds from redeemable shares issued	61,615,610	7,612,292
Redemption of redeemable shares	(5,051,889)	(323,654)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>56,563,724</b>	<b>7,288,678</b>
Net increase (decrease) in cash	(205,661)	4,420
Cash (bank indebtedness) at beginning of period	30,393	(1,793)
<b>Cash (bank indebtedness) at end of period</b>	<b>(175,268)</b>	<b>2,627</b>
Interest received	–	–
Income taxes paid	–	–
Interest paid	–	–

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

# Sun Life Sionna Canadian Small Cap Equity Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sionna Canadian Small Cap Equity Fund, Series I	5,836,823	96,945,333	96,141,233	
		<b>96,945,333</b>	<b>96,141,233</b>	<b>100.19</b>
<b>Total Investments</b>		<b>96,945,333</b>	<b>96,141,233</b>	<b>100.19</b>
<b>Other Assets less Liabilities</b>			<b>(181,278)</b>	<b>(0.19)</b>
<b>Total Net Assets</b>			<b>95,959,955</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Mutual Funds</b>		
Canadian Small/Mid Cap Equities	100.2	100.3
<b>Other Assets less Liabilities</b>	<b>(0.2)</b>	<b>(0.3)</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

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

# Sun Life Sionna Canadian Small Cap Equity Class (Continued)

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 cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	96,141,233	–	–	96,141,233

  

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	41,784,588	–	–	41,784,588

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$4,736 (\$3,650 for the period ended December 31, 2016).

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	11,706	107,383
Series AT5	800	9,742
Series F	1,064	10,000
Series O	1,036	10,012

  

	December 31, 2016	
	Units	Market Value (\$)
Series A	11,689	109,528
Series AT5	779	9,945
Series F	1,063	10,145
Series O	1,041	10,157

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, the Fund had a significant interest in the Underlying Fund as noted in the following tables:

Underlying Fund	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
Sionna Canadian Small Cap Equity Fund	100%	82%

  

Underlying Fund	As at December 31, 2016	
	% of Net Assets	Ownership Interest %
Sionna Canadian Small Cap Equity Fund	100%	65%

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

# Sun Life Sionna Canadian Small Cap Equity Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	96,141,233	41,784,588
<b>Total financial assets at fair value through profit or loss</b>	<b>96,141,233</b>	<b>41,784,588</b>
<b>Financial assets at amortized cost</b>		
Cash	–	30,393
Other receivables	202,282	91,976
<b>Total financial assets at amortized cost</b>	<b>202,282</b>	<b>122,369</b>
<b>Total assets</b>	<b>96,343,515</b>	<b>41,906,957</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	383,560	263,940
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>383,560</b>	<b>263,940</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	(2,461,219)	1,751,801
<b>Total net gains (losses)</b>	<b>(2,461,219)</b>	<b>1,751,801</b>

## Establishment of the Fund

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

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

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

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

# Sun Life Trimark Canadian Class

## Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	1,550,464	1,511,092
Cash	–	–
Due from investment dealers	1,103	3,244
Accrued interest	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	25	–
	<b>1,551,592</b>	<b>1,514,336</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	3,406	7
Accrued expenses	139	171
Redemptions payable	3,460	2,001
Distributions payable	–	–
Due to investment dealers	25	–
Management fees payable	610	1,114
Income tax payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable shares)	7,640	3,293
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,543,952</b>	<b>1,511,043</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	265,456	538,747
Series AT5	9,351	9,128
Series E	–	–
Series F	9,598	9,311
Series I	1,236,431	944,540
Series O	23,116	9,317
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	8.86	8.66
Series AT5	11.77	11.79
Series E	–	–
Series F	9.09	8.83
Series I	9.37	9.04
Series O	9.33	9.01

Approved on behalf of the Board of Directors

“signed” Rick Headrick

Director

“signed” Paul Sergi

Director

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
<b>Investment Income</b>		
Interest income	–	–
Distributions from underlying funds	–	–
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	28,441	(1,715)
Change in unrealized appreciation (depreciation) in value of investments	27,110	29,925
<b>Net gains (losses) on investments</b>	<b>55,551</b>	<b>28,210</b>
<b>Total income (loss)</b>	<b>55,551</b>	<b>28,210</b>
<b>Expenses (note 5)</b>		
Management fees	4,316	1,127
Administration fees	807	325
Independent review committee fees	15	4
Total operating expenses	5,138	1,456
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	50,413	26,754
<b>Finance Cost</b>		
Interest expense	–	–
<b>Net income (loss) before income taxes</b>	<b>50,413</b>	<b>26,754</b>
Income taxes	–	–
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>50,413</b>	<b>26,754</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	13,862	2,473
Series AT5	226	126
Series E	–	(669)
Series F	285	174
Series I	35,467	24,438
Series O	573	212
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	44,048	12,627
Series AT5	782	725
Series E	–	1,025
Series F	1,054	1,025
Series I	124,746	87,663
Series O	1,662	1,015
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.31	0.20
Series AT5	0.29	0.17
Series E	–	(0.65)
Series F	0.27	0.17
Series I	0.28	0.28
Series O	0.34	0.21

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

# Sun Life Trimark Canadian Class (Continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	538,747	89,362	9,128	7,923	-	7,929
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	13,862	2,473	226	126	-	(669)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	127,700	13,801	-	-	-	-
Redemption of redeemable shares	(414,810)	(2,503)	-	-	-	(7,259)
Reinvestment of distributions to holders of redeemable shares	269	94	240	209	-	-
Capitalized distributions	-	-	-	-	-	-
	(286,841)	11,392	240	209	-	(7,259)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(47)	-	(1)	-	-	-
From net investment income	(265)	(72)	(242)	(206)	-	(1)
Return of capital	-	-	-	-	-	-
	(312)	(72)	(243)	(206)	-	(1)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	(273,291)	13,793	223	129	-	(7,929)
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>265,456</b>	<b>103,155</b>	<b>9,351</b>	<b>8,052</b>	<b>-</b>	<b>-</b>
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	9,311	7,991	944,540	616,885	9,317	7,994
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	285	174	35,467	24,438	573	212
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	2	-	388,556	139,638	13,294	-
Redemption of redeemable shares	-	-	(132,132)	(7,928)	(68)	(34)
Reinvestment of distributions to holders of redeemable shares	12	9	78	-	1	-
Capitalized distributions	-	-	-	-	-	-
	14	9	256,502	131,710	13,227	(34)
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(1)	-	(78)	-	(1)	-
From net investment income	(11)	(7)	-	-	-	-
Return of capital	-	-	-	-	-	-
	(12)	(7)	(78)	-	(1)	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	287	176	291,891	156,148	13,799	178
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>9,598</b>	<b>8,167</b>	<b>1,236,431</b>	<b>773,033</b>	<b>23,116</b>	<b>8,172</b>

	2017	2016				
	Total (\$)	Total (\$)				
<b>Net Assets Attributable to Holders of Redeemable Shares at beginning of period</b>	1,511,043	738,084				
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	50,413	26,754				
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	529,552	153,439				
Redemption of redeemable shares	(547,010)	(17,724)				
Reinvestment of distributions to holders of redeemable shares	600	312				
Capitalized distributions	-	-				
	(16,858)	136,027				
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	(128)	-				
From net investment income	(518)	(286)				
Return of capital	-	-				
	(646)	(286)				
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	32,909	162,495				
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	<b>1,543,952</b>	<b>900,579</b>				
	2017	2016	2017	2016	2017	2016
	Series A		Series AT5		Series E	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	62,179	11,558	774	716	-	1,025
Shares issued	14,202	1,908	-	-	-	-
Shares issued on reinvestment of distributions	27	12	21	20	-	-
Shares redeemed	(46,461)	(336)	-	-	-	(1,025)
<b>Balance – end of period</b>	<b>29,947</b>	<b>13,142</b>	<b>795</b>	<b>736</b>	<b>-</b>	<b>-</b>
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	1,054	1,025	104,479	78,332	1,034	1,017
Shares issued	1	-	41,664	18,209	1,452	-
Shares issued on reinvestment of distributions	1	1	8	-	-	-
Shares redeemed	-	-	(14,125)	(1,018)	(7)	(5)
<b>Balance – end of period</b>	<b>1,056</b>	<b>1,026</b>	<b>132,026</b>	<b>95,523</b>	<b>2,479</b>	<b>1,012</b>
	2017	2016				
	Total	Total				
<b>Redeemable Share Transactions</b>						
<b>Balance – beginning of period</b>	169,520	93,673				
Shares issued	57,319	20,117				
Shares issued on reinvestment of distributions	57	33				
Shares redeemed	(60,593)	(2,384)				
<b>Balance – end of period</b>	<b>166,303</b>	<b>111,439</b>				

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



# Sun Life Trimark Canadian Class (Continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	50,413	26,754
Adjustments for:		
Net realized (gain) loss on sale of investments	(28,441)	1,715
Change in unrealized (appreciation) depreciation in value of investments	(27,110)	(29,925)
Non-cash income distributions from underlying funds	–	–
Purchases of investments	(518,333)	(145,819)
Proceeds from sale of investments	536,678	10,915
Change in accrued interest	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	(504)	176
Change in other payables and accrued expenses	(32)	63
Change in income tax payable	–	–
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>12,671</b>	<b>(136,121)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(46)	26
Proceeds from redeemable shares issued	529,527	153,439
Redemption of redeemable shares	(545,551)	(17,094)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(16,070)</b>	<b>136,371</b>
Net increase (decrease) in cash	(3,399)	250
Cash (bank indebtedness) at beginning of period	(7)	(256)
<b>Cash (bank indebtedness) at end of period</b>	<b>(3,406)</b>	<b>(6)</b>
Interest received	–	–
Income taxes paid	–	–
Interest paid	–	–

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

# Sun Life Trimark Canadian Class (Continued)

## Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Trimark Canadian Fund, Series I	116,506	1,477,484	1,550,464	
		<b>1,477,484</b>	<b>1,550,464</b>	<b>100.42</b>
<b>Total Investments</b>		<b>1,477,484</b>	<b>1,550,464</b>	<b>100.42</b>
<b>Other Assets less Liabilities</b>			<b>(6,512)</b>	<b>(0.42)</b>
<b>Total Net Assets</b>			<b>1,543,952</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

#### (b) Market risk

##### i) Currency risk

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

##### ii) Interest rate risk

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

##### iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

#### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
<b>Mutual Funds</b>		
Canadian Equities	100.4	100.0
<b>Other Assets less Liabilities</b>	(0.4)	—
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

### Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

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

# Sun Life Trimark Canadian Class (Continued)

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 cash, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,550,464	–	–	1,550,464

  

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,511,092	–	–	1,511,092

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

June 30, 2017		
	Units	Market Value (\$)
Series A	11,613	102,933
Series AT5	795	9,351
Series F	1,056	9,598
Series I	27,339	256,031
Series O	1,030	9,604

  

December 31, 2016		
	Units	Market Value (\$)
Series A	11,595	100,465
Series AT5	774	9,128
Series F	1,054	9,311
Series I	27,337	247,139
Series O	1,034	9,317

## Interest in Underlying Fund

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

As at June 30, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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

# Sun Life Trimark Canadian Class (Continued)

## Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	1,550,464	1,511,092
<b>Total financial assets at fair value through profit or loss</b>	<b>1,550,464</b>	<b>1,511,092</b>
<b>Financial assets at amortized cost</b>		
Cash	–	–
Other receivables	1,128	3,244
<b>Total financial assets at amortized cost</b>	<b>1,128</b>	<b>3,244</b>
<b>Total assets</b>	<b>1,551,592</b>	<b>1,514,336</b>
<b>Financial liabilities</b>		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	7,640	3,293
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>7,640</b>	<b>3,293</b>

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

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	55,551	28,210
<b>Total net gains (losses)</b>	<b>55,551</b>	<b>28,210</b>

## Establishment of the Fund

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

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

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

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

# Notes to Financial Statements

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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## 1. Establishment of the Funds

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

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

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. Client recordkeeping duties are provided by International Financial Data Services (Canada) Limited.

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

The financial statements of the Funds include the Schedule of Investments for each Fund as at June 30, 2017, the Statements of Financial Position as at June 30, 2017 and December 31, 2016, and the Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statements of Cash Flows for the six month periods ended June 30, 2017 and 2016. For details on each Fund’s date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the Financial Statements of each Fund.

The financial statements of the Funds for the six months ended June 30, 2017 were authorized on August 11, 2017 for issue in accordance with the resolution approved by the Board of Directors of the Corporation to be filed on August 25, 2017.

## 2. Significant Accounting Policies

### Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds’ accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value (“NAV”) for transactions with redeemable shareholders.

### Financial instruments

#### (a) Classification and recognition of financial instruments

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

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

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

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

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

Loans and receivables

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

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.

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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 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.

As at June 30, 2017 and December 31, 2016, the Funds did not enter into any arrangements whereby the financial instruments were eligible to be offset.

## (c) Valuation of financial instruments

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

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

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

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

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

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

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

- (i) Underlying funds are fair valued each business day using the most recent NAV per unit quoted by the Manager on the valuation date.
- (ii) For all other financial assets and financial liabilities, the carrying value approximates the fair value for cash, due from investment dealers, accrued interest, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable.

## (d) Cash and short-term investments

Cash consists of cash on hand and short-term investments consist of debt instruments with maturities of less than one year.

Cash is valued at fair value or at recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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## (e) Other assets and other liabilities

Due from investment dealers, accrued interest, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

## (f) Distributions from underlying funds

Distributions from underlying funds are recorded in the year to which the distribution relates. Distributions from underlying funds may include a combination of capital gains/(losses), Canadian and foreign dividends, and interest income.

## (g) Transaction costs

Transaction costs incurred in portfolio transactions, if any, are excluded from the average cost of investments and are recognized immediately in income and are presented as a separate expense item in the Statements of Comprehensive Income (Loss).

## (h) Redeemable share valuation and valuation date

Shares are issued and redeemed on a continuous basis at their NAV which is determined, for every series of shares of each Fund, except for the Sun Life Money Market Class, on each day that the Toronto Stock Exchange is open for business. The Sun Life Money Market Class is valued on each day that the Canadian chartered banks are open for business, other than Saturdays and Sundays.

The redeemable share valuation per series is determined by dividing the aggregate market value of the net assets of that series of the Fund by the total number of shares of that series outstanding at the close of business on the valuation day.

## (i) Investment transactions

Investment transactions are accounted for on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments and derivative instruments.

## (j) Revenue recognition

- (i) Interest income for distribution purposes resulting from investments in bonds is recorded on the accrual basis based on the bond coupon rate.
- (ii) Dividend income is recorded on the ex-dividend date.
- (iii) Realized gains (losses) on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.
- (iv) Income, realized gain (loss) and unrealized gain (loss) are allocated among the series on a pro-rata basis.

## (k) Foreign currency translation

Foreign currency amounts are expressed in Canadian dollars on the following bases:

- (i) Fair value of investments and other assets and liabilities at the rate of exchange prevailing at the period end; and
- (ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

The Funds' functional currency and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which the Funds operate.

## (l) Increase (decrease) in net assets attributable to holders of redeemable shares per share

Increase (decrease) in net assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable shares for the period, divided by the weighted average number of shares outstanding during the period.



# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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## (m) Multi-series structured funds

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

## 3. Critical Accounting Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies. The following discusses the most significant accounting judgments that the Funds have made in preparing the financial statements:

### Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds' prospectus details the objective of providing investment management services to investors for the purpose of returns in the form of investment income and capital appreciation.

The Funds report to their investors via quarterly investor information, and to their management via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Funds' financial statements. The Funds have a clearly documented exit strategy for all of their investments.

The Manager has also concluded that each of the Funds meets the additional characteristics of an investment entity, in that each Fund has one or more investments and each Fund has more than one investor and its investors are not related parties.

These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

## 4. Redeemable Shares of the Funds

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

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

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

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

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

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

## 5. Management Fees and Expenses

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

	Maximum Annual Management Fees			
	Series A shares	Series AT5 shares	Series AT8 shares	Series F shares
Sun Life BlackRock Canadian Balanced Class	1.55%	1.55%	–	0.55%
Sun Life BlackRock Canadian Composite Equity Class	1.00%	1.00%	–	0.50%
Sun Life BlackRock Canadian Equity Class	1.55%	1.55%	1.55%	0.55%
Sun Life Dynamic Equity Income Class	1.75%	1.75%	–	0.75%
Sun Life Dynamic Strategic Yield Class	1.85%	1.85%	–	0.85%
Sun Life Franklin Bissett Canadian Equity Class	2.00%	2.00%	–	1.00%
Sun Life Granite Balanced Class	1.80%	1.80%	–	0.80%
Sun Life Granite Balanced Growth Class	1.85%	1.85%	1.85%	0.85%
Sun Life Granite Conservative Class	1.50%	1.50%	–	0.75%
Sun Life Granite Growth Class	1.90%	1.90%	1.90%	0.90%
Sun Life Granite Moderate Class	1.75%	1.75%	–	0.75%
Sun Life MFS Canadian Equity Class	1.95%	1.95%	–	1.00%
Sun Life MFS Dividend Income Class	1.75%	1.75%	–	0.75%
Sun Life MFS Global Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life MFS International Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life MFS U.S. Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life Money Market Class*	1.00%	–	–	0.75%
Sun Life Sentry Value Class	1.95%	1.95%	–	0.95%
Sun Life Sionna Canadian Small Cap Equity Class	2.10%	2.10%	–	1.10%
Sun Life Trimark Canadian Class	2.00%	2.00%	–	1.00%

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

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

For Series O shares, investors pay the management fees directly to the Manager. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

	<b>Maximum Annual Management Fees</b>
	<b>Series O shares*</b>
Sun Life BlackRock Canadian Balanced Class	0.55%
Sun Life BlackRock Canadian Composite Equity Class	0.50%
Sun Life BlackRock Canadian Equity Class	0.55%
Sun Life Dynamic Equity Income Class	0.75%
Sun Life Dynamic Strategic Yield Class	0.85%
Sun Life Franklin Bissett Canadian Equity Class	1.00%
Sun Life Granite Balanced Class	0.80%
Sun Life Granite Balanced Growth Class	0.85%
Sun Life Granite Conservative Class	0.75%
Sun Life Granite Growth Class	0.90%
Sun Life Granite Moderate Class	0.75%
Sun Life MFS Canadian Equity Class	1.00%
Sun Life MFS Dividend Income Class	0.75%
Sun Life MFS Global Growth Class	1.00%
Sun Life MFS International Growth Class	1.00%
Sun Life MFS U.S. Growth Class	1.00%
Sun Life Money Market Class**	0.75%
Sun Life Sentry Value Class	0.95%
Sun Life Sionna Canadian Small Cap Equity Class	1.10%
Sun Life Trimark Canadian Class	1.00%

\* Series O shares are available to investors through the Private Client program and must be purchased through a Private Client account. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of Series O shares held in their Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O shares in the investor's account.

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

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

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

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

The fixed annual administration fees are set out below:

	Annual Administration Fees	
	All Series (other than Series I)	Series I
Sun Life BlackRock Canadian Balanced Class	0.10%	n/a
Sun Life BlackRock Canadian Composite Equity Class	0.10%	0.05%
Sun Life BlackRock Canadian Equity Class	0.10%	0.05%
Sun Life Dynamic Equity Income Class	0.20%	0.05%
Sun Life Dynamic Strategic Yield Class	0.20%	0.05%
Sun Life Franklin Bissett Canadian Equity Class	0.20%	0.05%
Sun Life Granite Balanced Class	0.20%	n/a
Sun Life Granite Balanced Growth Class	0.20%	n/a
Sun Life Granite Conservative Class	0.20%	n/a
Sun Life Granite Growth Class	0.20%	n/a
Sun Life Granite Moderate Class	0.20%	n/a
Sun Life MFS Canadian Equity Class	0.20%	n/a
Sun Life MFS Dividend Income Class	0.20%	0.05%
Sun Life MFS Global Growth Class	0.20%	n/a
Sun Life MFS International Growth Class	0.20%	n/a
Sun Life MFS U.S. Growth Class	0.20%	n/a
Sun Life Money Market Class	0.05%	n/a
Sun Life Sentry Value Class	0.20%	0.05%
Sun Life Sionna Canadian Small Cap Equity Class	0.20%	0.05%
Sun Life Trimark Canadian Class	0.20%	0.05%

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

## 6. Taxation of the Corporation and Allocation to Shareholders

The Corporation is a qualified mutual fund corporation, as defined for Canadian income tax purposes. Taxable dividends received from taxable Canadian corporations are subject to a tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on the basis of \$1 for every \$2.61 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expenses, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations, for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

The current tax liability for the period is measured at the amount expected to be paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the date of the financial statements.

Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. When the market value of a security in the Corporation exceeds its cost base, a future income tax liability arises. As capital gains taxes payable by the Corporation are refundable under the provisions of the *Income Tax Act* (Canada), the future income tax liability is offset by these future refundable taxes. If the cost base exceeds the market value of the security, a future income tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future income tax assets will ultimately be realized. Future income tax liabilities or tax assets are calculated using substantively enacted tax rates and tax laws expected to apply in the period that the temporary differences are expected to reverse.

Unused capital and non-capital losses represent future income tax assets to the Corporation for which a full valuation allowance has been established for the reasons noted above. Tax losses apply to the Corporation, not the Funds. Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be applied against future years' taxable income.

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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The Corporation has no accumulated net capital losses and no accumulated non-capital losses as at June 30, 2017.

On July 29, 2016, the Department of Finance released draft legislation to implement measures from the 2016 federal budget, including a change that would eliminate the ability for investors to switch assets between funds within a mutual fund corporation on a tax-deferred basis. The legislation took effect January 1, 2017. The Manager believes corporate class structures remain a tax-efficient investment solution for Canadian investors who hold non-registered investments. Continuing benefits include: (i) a low dividend payout policy; (ii) the ability to aggregate income and expenses across mandates within the same corporate class structure; (iii) tax-efficient distributions in the form of Canadian eligible dividends and capital gains dividends; and (iv) the ability to generate and access cash flow through T-class fund offerings. The Manager will continue to offer its corporate class funds.

## 7. Related Party Transactions

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

For its services, the Manager receives a management fee that is calculated as a percentage of the average NAV of each Fund. This fee is calculated daily and payable monthly. The dollar amount, including all applicable taxes, of each Fund's management fees that the Manager receives is reported in the line item "Management fees" on the Statements of Comprehensive Income (Loss).

An operating expense incurred by the Manager on behalf of each Fund is considered a fund administration expense. Under the terms of the Funds' Simplified Prospectus, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund.

The dollar amount, including all applicable taxes, of all fund administration expenses that the Manager recovers from the Fund is reported in the line item "Administration fees" on the Statements of Comprehensive Income (Loss).

The Company is an indirect wholly-owned subsidiary of Sun Life Financial Inc.

## 8. Financial Risk Management

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

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

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

### (a) Credit risk

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

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

### (b) Market risk

#### (i) Currency risk

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

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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## (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 shares. The shares of the Funds are redeemed on demand at the current NAV per share at the option of the shareholder. Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily transacted. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. Each Fund may, from time to time, hold securities that are not traded in an active market and may be illiquid. All liabilities are due 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.

## 9. Capital Management

The Funds have no restrictions or specific capital requirements on the subscription and redemption of shares. Specifically, the Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Funds' prospectus. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares identify changes in capital during the period. The capital of the Funds is managed in accordance with the Funds' investment objectives including managing their liquidity in order to be able to meet redemptions as discussed in note 8(c).

## 10. Accounting Standards Issued but not yet Adopted

### IFRS 9

*Financial Instruments* ("IFRS 9") was issued in November 2009 and amended in October 2010, November 2013 and July 2014, and is effective for years beginning on or after January 1, 2018, to be applied retrospectively, or on a modified retrospective basis. It is intended to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39").

In July 2014, the IASB issued the final version of IFRS 9, which replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Funds plan to adopt the new standard on the required effective date. During 2016, the Funds have performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Funds in the future. Overall, the Funds expect no significant impact on the Statements of Financial Position.

### (a) Classification and measurement

The Funds do not expect a significant impact on their Statements of Financial Position from applying the classification and measurement requirements of IFRS 9. The Funds expect to continue measuring at fair value all financial assets currently held at fair value. Debt securities are expected to be measured at fair value through profit or loss under IFRS 9 as the Funds do not expect to hold the assets to collect contractual cash flows.

# Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Funds expect that these will continue to be measured at amortized cost under IFRS 9. However, the Manager will analyze the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortized cost measurement under IFRS 9.

## (b) Impairment

IFRS 9 requires entities to record future expected credit losses on all of their debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The debt instruments held by the Funds are expected to be classified as fair value through profit or loss. Therefore, it is not expected that this amendment will have a significant impact on the financial statements.

## (c) Hedge accounting

The Funds have not applied hedge accounting under IAS 39 and are not expected to apply hedge accounting under IFRS 9.

## IFRS 15

*Revenue from Contracts with Customers* ("IFRS 15") was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS and is effective for annual periods beginning on or after January 1, 2018, when the IASB finalizes its amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. Given that the majority of revenue streams of the Funds, being interest, dividends and realized/unrealized gains, fall outside of the scope of IFRS 15, preliminary impact assessments made during 2016 indicate minimal impact arising on the adoption of this standard.

## 11. Comparative Balances

The comparative financial statements may have been reclassified from the statements previously presented in order to conform to the current period's presentation.



## SEMI-ANNUAL FINANCIAL STATEMENTS

Sun Life BlackRock Canadian Balanced Class

Sun Life BlackRock Canadian Composite Equity Class

Sun Life BlackRock Canadian Equity Class

Sun Life Dynamic Equity Income Class

Sun Life Dynamic Strategic Yield Class

Sun Life Franklin Bissett Canadian Equity Class

Sun Life Granite Balanced Class

Sun Life Granite Balanced Growth Class

Sun Life Granite Conservative Class

Sun Life Granite Growth Class

Sun Life Granite Moderate Class

Sun Life MFS Canadian Equity Class

Sun Life MFS Dividend Income Class

Sun Life MFS Global Growth Class

Sun Life MFS International Growth Class

Sun Life MFS U.S. Growth Class

Sun Life Money Market Class

Sun Life Sentry Value Class

Sun Life Sionna Canadian Small Cap Equity Class

Sun Life Trimark Canadian Class

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You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-344-1434** or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) or [www.sedar.com](http://www.sedar.com).

Sun Life Global Investments (Canada) Inc.  
1 York Street, Toronto, Ontario, M5J 0B6  
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859  
[info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com)  
[www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com)



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