
SLGI ASSET MANAGEMENT INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended December 31, 2024

Sun Life BlackRock Canadian Composite Equity Fund



Sun Life BlackRock Canadian Composite Equity Fund

This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can request a free copy of the annual financial statements by calling 1-877-344-1434, by sending an email to us at info@sunlifeglobalinvestments.com or by writing to us at SLGI Asset Management Inc., 1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6. The financial statements are available on our website at www.sunlifeglobalinvestments.com and on SEDAR at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

SLGI Asset Management Inc. (the "Manager") is an indirect wholly owned subsidiary of Sun Life Financial Inc.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The investment objectives of the Sun Life BlackRock Canadian Composite Equity Fund (the "Fund") are to seek long-term capital appreciation by replicating, to the extent possible, the performance, net of fees, of a broad and recognized Canadian equity market index (the "Index"). The Fund invests directly in equity securities included in the Index and/or may achieve exposure to some or all of the Index by investing in exchange-traded funds, mutual funds or derivatives that are correlated to the performance of the Index.

The Fund's sub-advisor is BlackRock Asset Management Canada Limited (the "Sub-Advisor"). The Sub-Advisor invests directly in the securities included in the Index and/or may achieve exposure to some or all of the Index by investing in exchange-traded funds, mutual funds or derivatives that are correlated to the performance of the Index. The Fund rebalances on a quarterly basis based on changes to the underlying Index, or more frequently if warranted by market conditions.

Risk

There were no changes in the Fund's investment objectives or strategies during the period which materially impacted the overall level of risk in the Fund.

As at December 31, 2024, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

Results of Operations

During the period, the net asset value of the Fund increased from \$2.4 billion to \$2.6 billion due to positive performance, partially offset by negative net sales.

During the period, the Fund returned 21.6% for Series I securities, this result lagged the Fund's benchmark, S&P/TSX Capped Composite Index, which returned 21.7%. Please refer to the 'Past Performance' section of this report for performance of each series of securities of the Fund.

The Canadian economy experienced modest returns at the start of 2024, with high interest rates impacting consumers and businesses. Elevated gas prices in February raised inflation concerns, but softer consumer spending and a slight rise in unemployment kept hopes for rate cuts alive.

Despite a weak April, Canadian equity markets rebounded in May on hopes of anticipated rate cuts with economic indicators showing a slowdown. In June, the Bank of Canada cut its overnight rate from 5.0% to 4.75%, weakening the Canadian Dollar against the U.S. Dollar.

Falling inflation readings offered some optimism, but labour market weakness kept sentiment mixed in the third quarter. The Bank of Canada further reduced its key interest rate in July and September, ending Q3 at 4.25%, and signaled a flexible, data-dependent approach.

In October, moderate growth was supported by household spending, non-residential business investment, and government consumption, though private sector employment growth slowed, and unemployment rose. In December, Canada's Fall Economic Statement included investments in the social safety net, housing, and cost reductions to support the economy.

From a sector perspective, Information Technology, Financials, and Energy were the best performers, whereas Communication Services, Real Estate, and Health Care were the laggards.

In the Fund, the passive exposure to Canadian equities performed as expected and tracked the performance of the index.

Sun Life BlackRock Canadian Composite Equity Fund

Recent Developments

Global tensions and conflicts within some geographic regions have continued to impact global markets and economies. In addition, there continue to be tensions between larger nations over a number of issues, including trade, technology, human rights, and sovereignty. These issues have, in some cases, resulted in government sanctions and trade restrictions. These global tensions and regional conflicts, documented in the media, create a more challenging operating environment. The longer-term impact to geopolitical norms, supply chains and investment valuations is uncertain. The Manager continues to watch for developments and assess the impact to investment strategies.

Related Party Transactions

SLGI Asset Management Inc. is the manager, trustee and portfolio manager of the Fund. For its services, the Manager receives a management fee that is calculated as a percentage of the average net asset value of the Fund. This fee is calculated daily and payable monthly.

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

As trustee, the Manager holds legal title to the Fund's investments in trust for securityholders.

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained BlackRock Asset Management Canada Limited to act as a sub-advisor for the Fund.

The Fund may have direct or indirect holdings in Sun Life Financial Inc. or its affiliates or other funds managed by the Manager or its affiliates. Funds managed by the Manager, or its affiliates, may invest in securities of the Fund.

The Fund relied on standing instructions from the Independent Review Committee ("IRC") in respect of trades in securities of Sun Life Financial Inc.

The relevant standing instructions require that securities transactions with related parties conducted by the Manager (i) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (ii) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (iii) comply with the applicable policies and procedures of the Manager; and (iv) achieve a fair and reasonable result for the Fund.

The Manager has a distribution agreement with Sun Life Financial Investment Services (Canada) Inc. (the "Dealer"), a company under common control, under which the Dealer may distribute securities of the funds offered by the Manager in the jurisdictions in which the Dealer is so authorized.

Fund Administrative Expenses

The Manager pays certain operating expenses of the Fund (the "Administration Expenses") in return for a fixed administration fee paid to the Manager by the Fund ("Administration Fee"). The Administration Fee is based on the net asset value of each series of securities of the Fund. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager) and trustee fees for registered plans. The amount of this charge is disclosed as Fixed annual administration fees in the Fund's Statements of Comprehensive Income found in the annual financial statements.

The Fund also pays certain operating expenses directly (the "Fund Costs"). Fund Costs include: borrowing costs incurred by the Fund from time to time; costs in connection with portfolio transactions; fees and expenses payable to or in connection with the IRC; taxes payable by the Fund; contingent fees for foreign tax reclaim filings; and the costs of complying with any new regulatory or legal requirement imposed on the Fund. The Fund allocates Fund Costs proportionately among each series of securities of the Fund to which they apply. The Fund Costs that are specific to a series of securities are allocated to that series. These amounts are paid out of the assets attributed to each series of securities of the Fund, which reduces the return you may receive.

Fees and expenses payable to or in connection with the IRC are allocated to the fund and series to which they apply in a manner that, in the Manager's view, is considered fair and reasonable. For the purpose of allocating IRC costs across the Funds, the Manager distinguishes between two categories of Funds: Funds that are structured as fund of funds and Funds that hold direct investments. The Manager has determined that, based on the complexity of the issues to be reviewed by the IRC for the Funds in each category, it is appropriate for the Funds that are structured as fund of funds to be allocated a lesser proportion of IRC costs than Funds that hold direct investments. The Manager first attributes IRC costs to each such category of Funds, and then allocates such costs equally between the Funds in each category. The amounts of these charges are disclosed in the line item "Independent review committee fees" in the Fund's Statements of Comprehensive Income (Loss).

Sun Life BlackRock Canadian Composite Equity Fund

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the previous five years or for the period(s) since inception to December 31, 2024.

The Fund's Net Asset Value per Security (\$) ⁽¹⁾

Sun Life BlackRock Canadian Composite Equity Fund - Series I

	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)
Net asset value, beginning of period	13.27	12.44	14.12	11.75	11.78
Increase (decrease) from operations:					
Total revenue	0.45	0.44	0.42	0.37	0.36
Total expenses	-	-	-	-	-
Realized gains (losses) for the period	0.66	0.19	0.44	0.27	(0.40)
Unrealized gains (losses) for the period	1.77	0.81	(1.65)	2.28	(0.36)
Total increase (decrease) from operations⁽²⁾	2.88	1.44	(0.79)	2.92	(0.40)
Distributions:					
From income (excluding dividends)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
From dividends	(0.45)	(0.42)	(0.41)	(0.33)	(0.38)
From capital gains	(0.75)	(0.19)	(0.43)	(0.25)	(0.26)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(1.21)	(0.62)	(0.85)	(0.59)	(0.65)
Net asset value, end of period	14.93	13.27	12.44	14.12	11.75

⁽¹⁾ This information is derived from the Fund's audited annual financial statements.

⁽²⁾ Net Assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the financial period.

⁽³⁾ Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

Ratios and Supplemental Data

Sun Life BlackRock Canadian Composite Equity Fund - Series I

	2024	2023	2022	2021	2020
Total net asset value (\$000s) ⁽¹⁾	2,613,097	2,388,319	1,991,953	2,125,573	1,470,314
Number of securities outstanding (000s) ⁽¹⁾	175,059	179,922	160,089	150,585	125,087
Management expense ratio (%)	-	-	-	-	-
Management expense ratio before waivers or absorption (%) ⁽²⁾	-	-	-	-	-
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02
Portfolio turnover rate (%) ⁽⁴⁾	12.63	11.54	15.96	10.68	31.04
Net asset value per security (\$) ⁽¹⁾	14.93	13.27	12.44	14.12	11.75

⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.

⁽²⁾ Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) including the Fund's allocated percentage of Fund-on-Funds' expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽⁴⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

Management Fees

The maximum annual management fee paid by the Fund is a percentage of the average daily net asset value of each series of securities of the Fund exclusive of any applicable taxes and operating expenses, which is accrued daily and is paid to the Manager monthly in arrears. Management fees pay for portfolio and investment advisory services, oversight of any service providers, marketing and promotional activities, arranging for the distribution and sale of securities of the Fund, general administration of Fund operations and sales and trailing commissions paid to dealers.

Series I management fees are not paid by the Fund. Series I investors negotiate management fees and pay directly to the Manager.

Past Performance

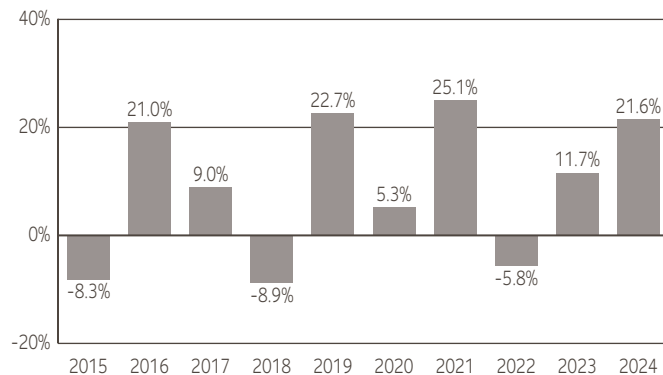
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemption, distribution, other optional charges or income tax payable by any securityholder that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future.

Sun Life BlackRock Canadian Composite Equity Fund

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series I Securities – Annual return for the period ended December 31, 2024



Annual Compound Returns

The table compares the historical annual compound total returns of Series I securities of the Fund with the following benchmark and broad-based index, if applicable:

The benchmark (the "Benchmark") is composed of:
S&P/TSX Capped Composite Index

The Series I securities units underperformed the benchmark over the past ten years, over the past five years, over the past three years, and over the past year.

A discussion of the Fund's performance compared to its benchmark and broad-based index or indices, if applicable, can be found in the Results of Operations section.

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ^(*)
Series I	21.6%	8.5%	11.0%	8.6%	-
Benchmark	21.7%	8.6%	11.1%	8.7%	-

(*) The performance since inception are not provided for series that have been in existence for more than 10 years.

INDEX DESCRIPTION(S)

The S&P/TSX Capped Composite Index imposes capped weights of 10% on all of the constituents included in the S&P/TSX Composite Index. The S&P/TSX Composite Index covers approximately 95% of the Canadian equities market, and has been the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies since 1977.

Summary of Investment Portfolio ^{*}

as at December 31, 2024

Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Royal Bank of Canada	6.9
2 Shopify Inc.	5.2
3 The Toronto-Dominion Bank	3.8
4 Enbridge Inc.	3.7
5 Brookfield Corp.	3.3
6 Bank of Montreal	2.9
7 Canadian Pacific Kansas City Ltd.	2.7
8 The Bank of Nova Scotia	2.7
9 Canadian Natural Resources Ltd.	2.6
10 Constellation Software Inc.	2.5
11 Canadian Imperial Bank of Commerce	2.4
12 Canadian National Railway Co.	2.3
13 Manulife Financial Corp.	2.2
14 TC Energy Corp.	2.0
15 Suncor Energy Inc.	1.8
16 Waste Connections Inc.	1.8
17 Alimentation Couche-Tard Inc.	1.7
18 Agnico Eagle Mines Ltd.	1.6
19 Sun Life Financial Inc.	1.4
20 Intact Financial Corp.	1.3
21 National Bank of Canada	1.3
22 Fairfax Financial Holdings Ltd.	1.2
23 Dollarama Inc.	1.1
24 Barrick Gold Corp.	1.1
25 Wheaton Precious Metals Corp.	1.0
60.5	
Total Net Asset Value (000s)	\$ 2,613,097

Sun Life BlackRock Canadian Composite Equity Fund

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Financials	32.9
Energy	17.1
Industrials	12.5
Materials	11.4
Information Technology	10.1
Consumer Staples	3.9
Utilities	3.8
Consumer Discretionary	3.3
Communication Services	2.3
Real Estate	2.0
Health Care	0.3
Cash and Cash Equivalents	0.3
Other Assets less Liabilities	0.1
	100.0

(*) All information is as at December 31, 2024. The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. Unless otherwise noted positions are long. You may obtain quarterly updates to these holdings free of charge by calling us at 1-877-344-1434, visiting our website at www.sunlifeglobalinvestments.com or by sending an email to us at info@sunlifeglobalinvestments.com.

Forward-Looking Statements

This management report of fund performance may contain forward-looking statements about the Fund, including its strategies, results of operations, performance and condition. Forward-looking statements include statements that are predictive in nature, or that depend upon or refer to future events or conditions. They are based on current beliefs, expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and various economic factors. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, technological changes, changes in government regulations or in tax laws and pandemics. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective", and similar expressions are intended to identify forward-looking statements. The Manager does not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this document or to reflect new information or the occurrence of unanticipated events, except as required by law.

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SLGI Asset Management Inc. is the investment manager of the Sun Life Mutual Funds, Sun Life Granite Managed Solutions and Sun Life Private Investment Pools.

