
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life Dynamic Energy Fund



Sun Life Dynamic Energy 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 Sun Life Global Investments (Canada) Inc., 1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6. Our financial statements are available on our website at www.sunlifeglobalinvestments.com and on SEDAR at www.sedar.com.

Unitholders 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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The Sun Life Dynamic Energy Fund* (the "Fund") seeks to achieve long-term capital appreciation by investing primarily in equity securities of North American companies involved in broadly defined energy-based or alternative energy activities across multiple components of the Energy sector, including oil and gas, or by investing in mutual funds that invest in such securities.

The Fund's Sub-Advisor is 1832 Asset Management L.P. (Dynamic Funds) (the "Sub-Advisor"). In pursuing the Fund's investment objectives, the Sub-Advisor primarily invests in equity securities of North American companies involved in broadly defined energy-based or alternative energy activities and may invest in fixed income securities of North American companies involved in broadly defined energy-based activities. The Sub-Advisor typically invests in energy-based corporations and master limited partnerships that focus their efforts on the exploration, development, production and/or sale of commodities such as fossil fuels including crude oil, natural gas and natural gas liquids, basic chemicals, materials, minerals, alternative energy and their by-products as well as refining, energy utilities, midstream and pipelines and companies that provide field services to the energy industry.

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. The risks associated with investing in the Fund remain as outlined in the Fund's Simplified Prospectus.

Results of Operations

During the period, the net asset value of the Fund decreased from \$8.7 million to \$2.9 million due to net redemptions, partially offset by positive performance.

During the period, the Fund returned 2.9% for Series A units, this result lagged the Fund's benchmark, which returned 9.8%. The broad-based index returned 22.9%. The performance returns for other series of this Fund are similar to those of Series A except for differences in expense structures. Please refer to the 'Past Performance' section of this report for performance of each series and a definition of the benchmark and broad-based index if applicable.

The Fund underperformed the benchmark primarily due to its allocation to U.S. energy securities relative to the Canadian-centric benchmark because U.S. Energy sector underperformed its counterpart in Canada. Portfolio performance was driven primarily by Canadian holdings over the 12-month period. Overall, they outperformed the Canadian dominant benchmark. However, this was weighed down by slightly negative performance among U.S. holdings and relatively flat returns in the international holdings. The Fund's top positive contributors during the reporting period were Canadian Natural Resources, TC Energy and Pembina Pipeline. The Fund's largest detractors during the reporting period were Occidental Petroleum, Nuvista Energy and William companies. The positions in all three detractors were exited during the period.

The Fund reduced its cash position over the period, deploying into a mix of energy producers and energy infrastructure companies. The Fund added primarily to the U.S. side of the portfolio, mostly through energy producers. To a lesser extent, exposure was also added to select European names. Holdings in Canada were trimmed over the period overall and the exposure was made more defensive by reducing energy producers while adding to the energy infrastructure weight. Outside of more traditional energy sectors, a petrochemicals holding was sold and an electric utility company was added.

Recent Developments

The Manager announced on November 29, 2019 that it intended to separate Series O securities from the Sun Life Global Investments Private Client Program for all the mutual funds that it manages. Subsequent to the reporting period, the Manager implemented this change to the Private Client Program on February 26, 2020.

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Sun Life Dynamic Energy Fund

On February 19, 2020, the Manager announced a proposed merger of the Fund into the Sun Life Dynamic Equity Income Fund. The proposal is subject to securityholder and regulatory approvals. The securityholder vote is scheduled to take place on or about May 8, 2020. All costs and expenses associated with the merger will be borne by the Manager. In anticipation of the merger, the Fund is closed to investment in new accounts, effective 4:01 p.m. ET on February 26, 2020. If approved, the merger will take effect on or about June 5, 2020.

Energy securities posted positive returns over the 12-month period. The price of oil (West Texas Intermediate) increased from \$45 at the beginning of the period to \$61 by the end. The year started with a solid rebound following the sharp sell-off in late 2018. Prices were supported after OPEC committed to cutting production, following the U.S. granting unexpected waivers on Iranian oil purchases after the November sanctions reinstatement. In the backdrop, fears of a global economic slowdown, which could affect oil demand, eased as central banks pivoted to a more accommodating stance. However, prices partially retreated beginning in May as a breakdown in U.S.-China trade negotiations caused concerns over demand. This was only temporarily offset in June as U.S.-Iran tensions flared, before attention once again shifted towards trade negotiations. Simmering Middle East tensions eventually culminated in an attack on Saudi oil installations in September. However, October proved to be an inflection point for both the oil price and related equities as progress in trade negotiations between U.S.–China gave way to an eventual “phase one” deal, easing demand concerns, and OPEC+ committed to further supply cuts in 2020.

The Manager cautions that the current global uncertainty with respect to the spread of the coronavirus (COVID-19) and its effect on the broader global economy may have a significant impact to the volatility of the financial market. While the precise impact remains unknown, rapid spread of the virus may have a material adverse effect on global economic activity and disrupt global supply chains, operations, mobility of people, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to fund performance.

Related Party Transactions

Sun Life Global Investments (Canada) Inc. (the “Manager”) 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 unitholders.

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained 1832 Asset Management L.P. to act as a sub-advisor for the Fund.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc.

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 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 those incurred 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 Statement 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 Fund's Independent Review Committee (“IRC”); taxes payable by the Fund; 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 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.

Sun Life Dynamic Energy 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 periods since inception to December 31, 2019.

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

Sun Life Dynamic Energy Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	7.57	9.48	11.11	8.70	10.00
Increase (decrease) from operations:					
Total revenue	0.14	0.27	0.05	0.22	0.12
Total expenses	(0.21)	(0.27)	(0.53)	(0.45)	(0.30)
Realized gains (losses) for the period	(0.40)	(0.13)	0.33	0.56	(0.61)
Unrealized gains (losses) for the period	0.74	(1.69)	(1.33)	2.53	(0.63)
Total increase (decrease) from operations⁽²⁾	0.27	(1.82)	(1.48)	2.86	(1.42)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	(0.17)	(0.03)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	(0.17)	(0.03)
Net asset value, end of period	7.79	7.57	9.48	11.11	8.70

Sun Life Dynamic Energy Fund - Series T5

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	9.68	12.81	15.96	12.89	15.00
Increase (decrease) from operations:					
Total revenue	0.23	0.35	0.06	0.26	0.17
Total expenses	(0.27)	(0.37)	(0.78)	(0.67)	(0.48)
Realized gains (losses) for the period	(0.54)	(0.29)	0.46	0.39	(0.76)
Unrealized gains (losses) for the period	1.39	(2.48)	(1.84)	3.79	(0.84)
Total increase (decrease) from operations⁽²⁾	0.81	(2.79)	(2.10)	3.77	(1.91)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	(0.56)	(0.20)	(0.15)	-
From capital gains	-	-	-	-	-
Return of capital	(0.48)	(0.08)	(0.60)	(0.49)	(0.21)
Total annual distributions⁽³⁾	(0.48)	(0.64)	(0.80)	(0.64)	(0.21)
Net asset value, end of period	9.47	9.68	12.81	15.96	12.89

Sun Life Dynamic Energy Fund - Series T8

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.58	11.74	15.20	12.62	15.00
Increase (decrease) from operations:					
Total revenue	0.13	0.32	(0.11)	0.33	0.17
Total expenses	(0.24)	(0.33)	(0.71)	(0.66)	(0.47)
Realized gains (losses) for the period	(0.40)	(0.19)	1.04	0.88	(0.75)
Unrealized gains (losses) for the period	0.76	(2.06)	(0.75)	3.13	(0.84)
Total increase (decrease) from operations⁽²⁾	0.25	(2.26)	(0.53)	3.68	(1.89)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	(0.82)	(0.30)	(0.25)	-
From capital gains	-	-	-	-	-
Return of capital	(0.69)	(0.12)	(0.92)	(0.76)	(0.50)
Total annual distributions⁽³⁾	(0.69)	(0.94)	(1.22)	(1.01)	(0.50)
Net asset value, end of period	8.14	8.58	11.74	15.20	12.62

Sun Life Dynamic Energy Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	7.81	9.67	11.21	8.74	10.00
Increase (decrease) from operations:					
Total revenue	0.14	0.27	0.05	0.23	0.12
Total expenses	(0.11)	(0.15)	(0.28)	(0.25)	(0.17)
Realized gains (losses) for the period	(0.41)	(0.19)	0.22	0.71	(0.51)
Unrealized gains (losses) for the period	0.69	(1.91)	(1.43)	2.08	(0.68)
Total increase (decrease) from operations⁽²⁾	0.31	(1.98)	(1.44)	2.77	(1.24)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	(0.24)	(0.03)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	(0.24)	(0.03)
Net asset value, end of period	8.13	7.81	9.67	11.21	8.74

Sun Life Dynamic Energy Fund - Series F5

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	12.78	15.00
Increase (decrease) from operations:		
Total revenue	0.19	0.39
Total expenses	(0.18)	(0.42)
Realized gains (losses) for the period	(0.60)	(0.25)
Unrealized gains (losses) for the period	1.12	(1.30)
Total increase (decrease) from operations⁽²⁾	0.53	(1.58)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	(0.69)
From capital gains	-	-
Return of capital	(0.64)	-
Total annual distributions⁽³⁾	(0.64)	(0.69)
Net asset value, end of period	12.65	12.78

Sun Life Dynamic Energy Fund

Sun Life Dynamic Energy Fund - Series F8

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	12.44	15.00
Increase (decrease) from operations:		
Total revenue	0.19	0.39
Total expenses	(0.18)	(0.22)
Realized gains (losses) for the period	(0.58)	(0.25)
Unrealized gains (losses) for the period	1.08	(1.48)
Total increase (decrease) from operations⁽²⁾	0.51	(1.56)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	(1.10)
From capital gains	-	-
Return of capital	(0.99)	-
Total annual distributions⁽³⁾	(0.99)	(1.10)
Net asset value, end of period	11.93	12.44

Sun Life Dynamic Energy Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.04	9.84	11.29	8.74	10.00
Increase (decrease) from operations:					
Total revenue	0.45	0.27	0.18	0.18	0.12
Total expenses	(0.03)	(0.03)	(0.03)	(0.02)	(0.02)
Realized gains (losses) for the period	(0.88)	(0.23)	(1.05)	0.34	(0.53)
Unrealized gains (losses) for the period	1.24	(1.73)	(1.93)	2.71	(0.78)
Total increase (decrease) from operations⁽²⁾	0.78	(1.72)	(2.83)	3.21	(1.21)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	(0.30)	(0.05)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	(0.30)	(0.05)
Net asset value, end of period	8.43	8.04	9.84	11.29	8.74

Sun Life Dynamic Energy Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.01	9.82	11.27	8.74	10.00
Increase (decrease) from operations:					
Total revenue	0.15	0.28	0.01	0.21	0.14
Total expenses	(0.02)	(0.04)	(0.07)	(0.06)	(0.04)
Realized gains (losses) for the period	(0.42)	(0.15)	0.37	0.45	(0.55)
Unrealized gains (losses) for the period	0.71	(1.82)	(1.96)	2.50	(1.06)
Total increase (decrease) from operations⁽²⁾	0.42	(1.73)	(1.65)	3.10	(1.51)
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	(0.29)	(0.05)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	-	-	(0.29)	(0.05)
Net asset value, end of period	8.41	8.01	9.82	11.27	8.74

⁽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 units of the Fund, or both.

Ratios and Supplemental Data

Sun Life Dynamic Energy Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	2,201,310	2,731,077	4,129,577	3,650,073	339,486
Number of units outstanding ⁽¹⁾	282,664	360,700	435,601	328,508	39,043
Management expense ratio after absorption (%) ⁽²⁾	2.25	2.25	2.25	2.20	2.25
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.25	2.25	2.25	2.20	2.25
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	7.79	7.57	9.48	11.11	8.70

Sun Life Dynamic Energy Fund - Series T5

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	23,988	36,532	11,811	11,325	8,721
Number of units outstanding ⁽¹⁾	2,534	3,775	922	709	677
Management expense ratio after absorption (%) ⁽²⁾	2.28	2.32	2.33	2.33	2.35
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.28	2.32	2.33	2.33	2.35
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	9.47	9.68	12.81	15.96	12.89

Sun Life Dynamic Energy Fund - Series T8

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	86,096	84,351	111,033	98,717	8,721
Number of units outstanding ⁽¹⁾	10,581	9,826	9,460	6,494	691
Management expense ratio after absorption (%) ⁽²⁾	2.32	2.32	2.33	2.32	2.35
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.32	2.32	2.33	2.32	2.35
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	8.14	8.58	11.74	15.20	12.62

Sun Life Dynamic Energy Fund

Sun Life Dynamic Energy Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	236,025	246,617	266,048	197,615	8,760
Number of units outstanding ⁽¹⁾	29,040	31,562	27,504	17,624	1,003
Management expense ratio after absorption (%) ⁽²⁾	1.12	1.12	1.15	1.19	1.20
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.12	1.12	1.15	1.19	1.20
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	8.13	7.81	9.67	11.21	8.74

Sun Life Dynamic Energy Fund - Series F5

	2019	2018
Total net asset value (\$) ⁽¹⁾	9,307	8,924
Number of units outstanding ⁽¹⁾	736	698
Management expense ratio after absorption (%) ⁽²⁾	1.14	1.11
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.14	1.11
Trading expense ratio (%) ⁽³⁾	0.23	0.20
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	49.96	62.15
Net asset value per unit (\$) ⁽¹⁾	12.65	12.78

Sun Life Dynamic Energy Fund - Series F8

	2019	2018
Total net asset value (\$) ⁽¹⁾	9,307	8,924
Number of units outstanding ⁽¹⁾	780	718
Management expense ratio after absorption (%) ⁽²⁾	1.14	1.11
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.14	1.11
Trading expense ratio (%) ⁽³⁾	0.23	0.20
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	49.96	62.15
Net asset value per unit (\$) ⁽¹⁾	11.93	12.44

Sun Life Dynamic Energy Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	9,972	5,236,329	10,144,227	66,256,442	36,453,564
Number of units outstanding ⁽¹⁾	1,183	651,524	1,030,568	5,870,408	4,170,406
Management expense ratio after absorption (%) ⁽²⁾	0.06	0.06	0.06	0.06	0.06
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.06	0.06	0.06	0.06	0.06
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	8.43	8.04	9.84	11.29	8.74

Sun Life Dynamic Energy Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	343,048	392,572	529,706	892,880	254,643
Number of units outstanding ⁽¹⁾	40,802	49,035	53,965	79,199	29,147
Management expense ratio after absorption (%) ⁽²⁾	0.16	0.16	0.22	0.23	0.23
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.16	0.16	0.22	0.23	0.23
Trading expense ratio (%) ⁽³⁾	0.23	0.20	0.36	0.18	0.20
Portfolio turnover rate (%) ⁽⁴⁾	49.96	62.15	134.96	68.05	68.34
Net asset value per unit (\$) ⁽¹⁾	8.41	8.01	9.82	11.27	8.74

⁽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.

The percentages and major services paid for out of the management fees are set out below:

	Maximum Annual Management Fee Rate (%)	As a Percentage of Management Fees	
		Dealer Compensation (%) ^(*)	General Administration, Investment Advice and Profit (%)
Series A Units	1.85	44	56
Series T5 Units	1.85	48	52
Series T8 Units	1.85	48	52
Series F Units	0.85	–	100
Series F5 Units	0.85	–	100
Series F8 Units	0.85	–	100
Series I Units ^(†)	–	–	–
Series O Units ^(†)	0.85	–	–

^(*) Includes sales and trailing commissions.

^(†) Series O management fees are not paid by the Fund. Series O investors pay management fees directly to the manager.

^(†) Series I management fees are not paid by the Fund. Series I investors negotiate management fees and pay directly to the manager.

Sun Life Dynamic Energy Fund

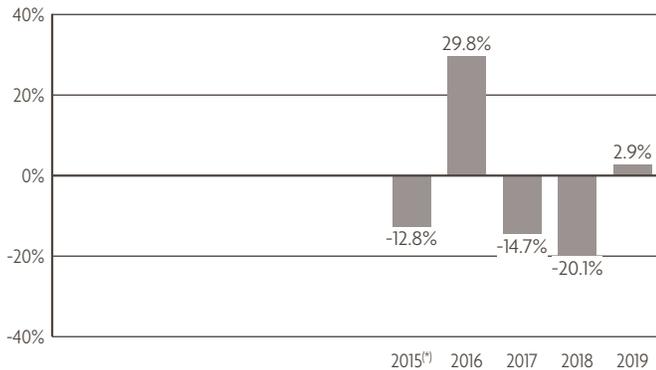
Past Performance

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 unitholder 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.

Year-by-Year Returns

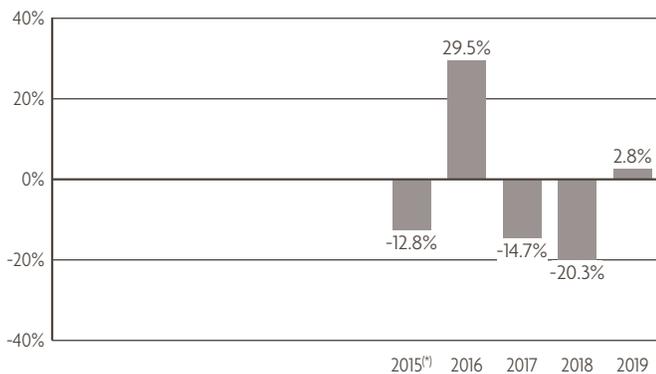
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A Units – Annual return for the period ended December 31, 2019



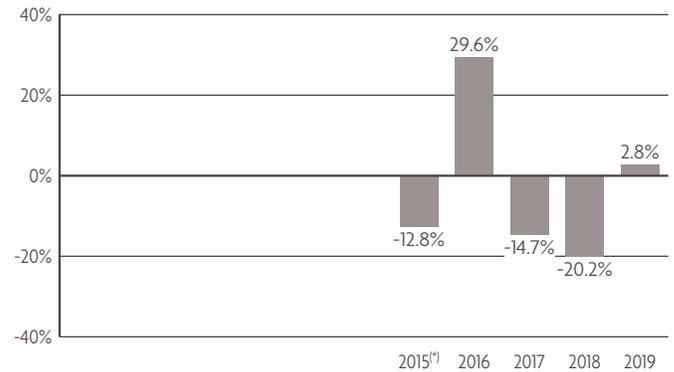
^(*) for the period of August 10, 2015 to December 31, 2015.

Series T5 Units – Annual return for the period ended December 31, 2019



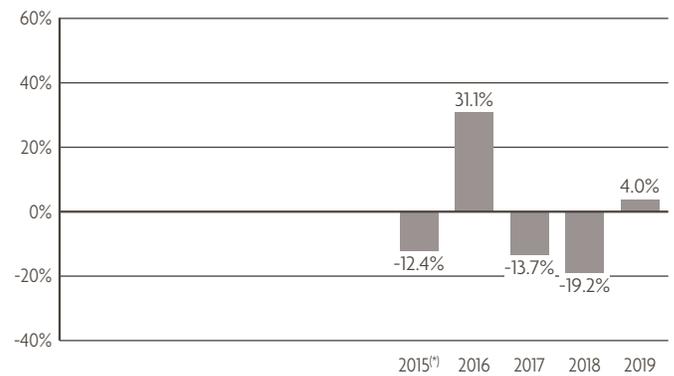
^(*) for the period of August 10, 2015 to December 31, 2015.

Series T8 Units – Annual return for the period ended December 31, 2019



^(*) for the period of August 10, 2015 to December 31, 2015.

Series F Units – Annual return for the period ended December 31, 2019



^(*) for the period of August 10, 2015 to December 31, 2015.

Series F5 Units – Annual return for the period ended December 31, 2019



^(*) for the period of February 9, 2018 to December 31, 2018.

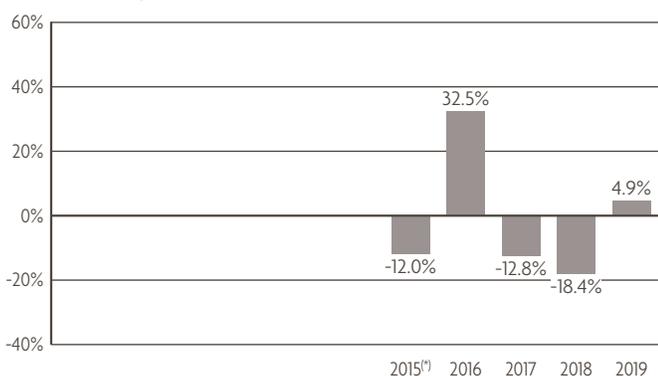
Sun Life Dynamic Energy Fund

Series F8 Units – Annual return for the period ended December 31, 2019



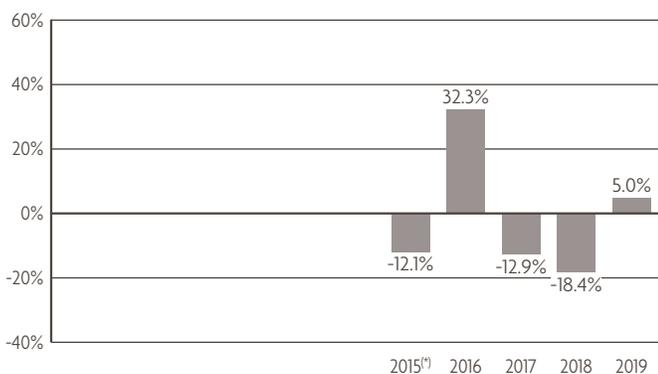
⁽¹⁾ for the period of February 9, 2018 to December 31, 2018.

Series I Units – Annual return for the period ended December 31, 2019



⁽¹⁾ for the period of August 10, 2015 to December 31, 2015.

Series O Units – Annual return for the period ended December 31, 2019



⁽¹⁾ for the period of August 10, 2015 to December 31, 2015.

Annual Compound Returns

The table compares the historical annual compound total returns of Series A, T5, T8, F, F5, F8, I and O 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 Energy Index

The Series A units underperformed the benchmark since inception, over the past three years, and over the past year.

The following are the broad-based index or indices:
Broad-based index - S&P/TSX Composite Index

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾
Series A	2.9%	-11.2%	N/A	N/A	-5.1%
Series T5	2.8%	-11.2%	N/A	N/A	-5.2%
Series T8	2.8%	-11.2%	N/A	N/A	-5.2%
Series F	4.0%	-10.2%	N/A	N/A	-4.1%
Benchmark	9.8%	-10.4%	-5.3%	-4.1%	-2.4%
Broad-based index	22.9%	6.9%	6.3%	6.9%	7.3%
Series F5	4.0%	N/A	N/A	N/A	-4.0%
Series F8	4.0%	N/A	N/A	N/A	-4.0%
Benchmark	9.8%	-10.4%	-5.3%	-4.1%	-4.0%
Broad-based index	22.9%	6.9%	6.3%	6.9%	10.2%
Series I	4.9%	-9.3%	N/A	N/A	-3.1%
Series O	5.0%	-9.3%	N/A	N/A	-3.2%
Benchmark	9.8%	-10.4%	-5.3%	-4.1%	-2.4%
Broad-based index	22.9%	6.9%	6.3%	6.9%	7.3%

⁽¹⁾ The performance start date for Series A units was August 10, 2015.

⁽²⁾ The performance start date for Series T5 units was August 10, 2015.

⁽³⁾ The performance start date for Series T8 units was August 10, 2015.

⁽⁴⁾ The performance start date for Series F units was August 10, 2015.

⁽⁵⁾ The performance start date for Series F5 units was February 9, 2018.

⁽⁶⁾ The performance start date for Series F8 units was February 9, 2018.

⁽⁷⁾ The performance start date for Series I units was August 10, 2015.

⁽⁸⁾ The performance start date for Series O units was August 10, 2015.

INDEX DESCRIPTION(S)

The S&P/TSX Capped Energy Index imposes capped weights of 25% on the index constituents included in the S&P/TSX Composite that are classified in the GICS energy sector.

The S&P/TSX Composite Index is a broad economic sector index comprising approximately 95% of the market capitalization for Canadian-based, Toronto Stock Exchange listed companies.

Sun Life Dynamic Energy Fund

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Cash and Cash Equivalents**	14.6
2 ConocoPhillips	6.1
3 TC Energy Corp.	6.0
4 Suncor Energy Inc.	5.9
5 Total SA	5.7
6 Pioneer Natural Resources Co.	5.6
7 EOG Resources Inc.	5.6
8 Canadian Natural Resources Ltd.	5.5
9 Chevron Corp.	5.4
10 Diamondback Energy Inc.	5.3
11 Royal Dutch Shell PLC	4.9
12 Pembina Pipeline Corp.	4.9
13 BP PLC	4.9
14 Gibson Energy Inc.	4.2
15 ONEOK Inc.	4.0
16 Keyera Corp.	3.5
17 ARC Resources Ltd.	3.1
18 Parkland Fuel Corp.	2.5
19 NextEra Energy Partners LP	2.3
20 Dow Inc.	0.0
	100.0
Total Net Asset Value ('000's)	\$ 2,919

Sector Allocation

	Percentage of Net Asset Value of the Fund %
Energy	83.1
Cash and Cash Equivalents**	14.3
Utilities	2.3
Derivatives - Short	0.3
	100.0

Asset Allocation

	Percentage of Net Asset Value of the Fund %
Canadian Equities	35.6
U.S. Equities	34.3
International Equities	15.5
Cash and Cash Equivalents**	14.3
Derivatives - Short	0.3
	100.0

(*) All information is as at December 31, 2019. 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.

(**) Cash and Cash Equivalents, for the purpose of this chart, includes other assets less liabilities.

Forward-Looking Statements

This management report of fund performance may contain forward-looking statements about the Fund, including its strategy, 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. 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.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Sun Life Dynamic Energy Fund

You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-344-1434** or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sunlifeglobalinvestments.com or www.sedar.com.

Sun Life Global Investments (Canada) Inc.
1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859
info@sunlifeglobalinvestments.com
www.sunlifeglobalinvestments.com



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