
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life Dynamic Strategic Yield Fund



Sun Life Dynamic Strategic Yield 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 fundamental objectives of the Sun Life Dynamic Strategic Yield Fund* (the "Fund") are to seek income and long-term capital growth by investing directly in a diversified portfolio of fixed income and income-oriented equity securities, or indirectly by investing in mutual funds (including exchange-traded 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 seeks to take a flexible approach to investing primarily in debt and income-oriented equity securities with no restrictions on market capitalization, industry sector or geographic mix. The Sub-Advisor invests in these securities either directly or indirectly through investment in underlying funds, and allocates portfolio assets depending on economic and 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. 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 increased from \$164.4 million to \$171.0 million due to positive performance, partially offset by net redemptions.

During the period, the Fund returned 11.5% for Series A units, this result lagged the Fund's benchmark, which returned 14.8%. The broad-based index 1 returned 21.2% and the broad-based index 2 returned 1.4%. 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 blended benchmark due in part to security selection among Materials, an underweight allocation in Energy and an elevated cash level. The Energy sector outperformed the blended benchmark. As the markets rallied during the reporting period, the higher cash level negatively impacted the portfolio's performance.

The Fund's asset mix was overweight equities and underweight fixed income, though both allocations were increased, as the level of cash decreased over the period. While equities and bonds had a positive impact on absolute returns, equities were the larger contributors. Geographically, the Fund increased the allocation to both the U.S. and Canadian equities. Both regions were contributors to performance with the U.S. having a slightly greater impact.

Overall sector weightings saw changes primarily through holdings in Information Technology, Financials and Utilities which were increased and Health Care decreased. At the end of June, the top equity sector exposures were held in Financials, Real Estate and Communication Services. Within fixed income, the exposure to foreign bonds was increased during the reporting period.

On a sector level within equities, the Fund's allocation to Materials was a detractor to performance and Financials, Utilities and Information Technology were the main contributors. Currency hedging undertaken was also a contributor. Fixed income had a positive impact on performance primarily through a holding in Scotia Total Return Bond Fund. Among equities, top security contributors included Microsoft Corporation and Brookfield Asset Management with a position in Pfizer Inc. a detractor.

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.

The Canadian equity market ended the 12-month period in double-digit positive territory. The Canadian economy remains resilient despite the fact a federal election resulted in a minority Liberal government, the Bank of Canada (BoC) did not cut

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Sun Life Dynamic Strategic Yield Fund

interest rates, and global trade tensions continue. The BoC is one of the few central banks in the industrial world that did not reduce interest rates. BoC Governor Stephen Poloz then said the current rate is 'about right' as inflation remains at their target rate of 2%, while unemployment is near a 45-year low.

The housing market rebounded with lower mortgage rates. As well a new incentive for first-time homebuyers should continue to provide a boost for housing. On the trade front, Canada, Mexico, and the U.S. have agreed on a new revised North American trade deal referred to as USMCA. Investors remain concerned about economic uncertainty surrounding the trade tensions between the U.S.-China trade war and the U.K. leaving the European Union (Brexit). This has resulted in companies scaling back on capital expenditures.

There were some positive developments later in the year. In December the U.S. and China agreed to a limited trade deal (phase one), which lowers some tariffs on China-imported goods and allows more access to U.S. farmers to sell goods in China. In exchange, the U.S. will halt adding new tariffs and reduce some tariffs on existing imported Chinese goods. Also, U.K. Prime Minister Boris Johnson won a majority Conservative government that gives him a mandate to get Brexit done early 2020. The U.S. equity market ended the year in double-digit positive territory. It was actually one of the best performing years in the past decade. Ironically, the year began with investors' concerns of a global economic slowdown resulting from the U.S.-China trade dispute and an inverted yield curve in the U.S. bond market. An inverted yield curve can sometimes be a signal of an upcoming recession.

Due to this economic uncertainty, the Federal Reserve cut interest rates three times in the year. These rates cuts were looked upon as insurance cuts to keep the country's longest economic expansion running. The Federal Reserve's actions had a positive effect on the economy. Mortgage rates fell to near all-time historical lows, resulting in a pickup in homes sales. The unemployment rate fell back to 3.5%, which is a 50-year low. While wage growth did increase modestly, inflation remains stable.

The Canadian bond market, as represented by the FTSE Canada Universe Bond Index, rose 6.9% in 2019. Corporate bonds, up 8.1%, outperformed Federal bonds, up 3.7%, and underperformed Provincial issues, up 9.1%. Canadian bond yields peaked in the first month of the year at 2.04% before bonds rallied and yields fell, with the Canadian 10-year dropping to a low for the year at 1.09% in August. After a brief yield curve inversion in August, longer-term yields went on to rise, although in a narrow range, to year-end. By the end of the year, the Canadian 10-year government bond yield had risen to 1.70%. Credit spreads in both the U.S. and Canada rallied during the year. High yield bonds, as represented by the Bloomberg Barclays U.S. High Yield Very Liquid Index, gained 15.8% in U.S. dollar terms.

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.

During the period, the sub-advisor engaged in inter-fund trades in debt securities between the Fund and investment funds not managed by SLGI, for which funds the sub-advisor also acts as an investment adviser. The trades were made in accordance with the investment objectives of the Fund, in the best interests of the Fund, and there was no negative impact to the Fund's net asset value as a result of the trades. No inter-fund trades occurred subsequent to May 30, 2019.

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

Sun Life Dynamic Strategic Yield Fund

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.

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 Strategic Yield Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	9.27	10.03	9.94	10.31	10.50
Increase (decrease) from operations:					
Total revenue	0.33	0.31	0.33	0.29	0.60
Total expenses	(0.24)	(0.25)	(0.26)	(0.25)	(0.24)
Realized gains (losses) for the period	0.20	0.27	0.26	(0.15)	0.18
Unrealized gains (losses) for the period	0.75	(0.58)	0.27	0.34	(0.07)
Total increase (decrease) from operations⁽²⁾	1.04	(0.25)	0.60	0.23	0.47
Distributions:					
From income (excluding dividends)	(0.18)	(0.40)	(0.22)	(0.51)	-
From dividends	(0.06)	-	-	-	-
From capital gains	(0.10)	-	-	-	(0.51)
Return of capital	(0.17)	(0.11)	(0.29)	-	(0.18)
Total annual distributions⁽³⁾	(0.51)	(0.51)	(0.51)	(0.51)	(0.69)
Net asset value, end of period	9.79	9.27	10.03	9.94	10.31

Sun Life Dynamic Strategic Yield Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	9.71	10.50	10.39	10.63	10.72
Increase (decrease) from operations:					
Total revenue	0.34	0.31	0.34	0.30	0.63
Total expenses	(0.13)	(0.13)	(0.14)	(0.13)	(0.13)
Realized gains (losses) for the period	0.23	0.29	0.25	(0.14)	0.19
Unrealized gains (losses) for the period	0.73	(0.66)	0.23	0.28	(0.04)
Total increase (decrease) from operations⁽²⁾	1.17	(0.19)	0.68	0.31	0.65
Distributions:					
From income (excluding dividends)	(0.24)	(0.51)	(0.27)	(0.51)	-
From dividends	(0.07)	-	-	-	-
From capital gains	(0.13)	-	-	-	(0.51)
Return of capital	(0.21)	(0.14)	(0.35)	-	(0.21)
Total annual distributions⁽³⁾	(0.65)	(0.65)	(0.62)	(0.51)	(0.72)
Net asset value, end of period	10.26	9.71	10.50	10.39	10.63

Sun Life Dynamic Strategic Yield Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.43	11.21	10.81	10.93	10.91
Increase (decrease) from operations:					
Total revenue	0.37	0.35	0.36	0.31	0.62
Total expenses	(0.02)	(0.02)	(0.02)	(0.02)	(0.01)
Realized gains (losses) for the period	0.23	0.30	0.29	(0.17)	0.18
Unrealized gains (losses) for the period	0.83	(0.67)	0.28	0.28	(0.02)
Total increase (decrease) from operations⁽²⁾	1.41	(0.04)	0.91	0.40	0.77
Distributions:					
From income (excluding dividends)	(0.30)	(0.58)	(0.22)	(0.51)	-
From dividends	(0.09)	-	-	-	-
From capital gains	(0.16)	-	-	-	(0.69)
Return of capital	(0.27)	(0.16)	(0.29)	-	(0.06)
Total annual distributions⁽³⁾	(0.82)	(0.74)	(0.51)	(0.51)	(0.75)
Net asset value, end of period	11.02	10.43	11.21	10.81	10.93

Sun Life Dynamic Strategic Yield Fund

Sun Life Dynamic Strategic Yield Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	9.17	9.94	9.82	9.99	10.02
Increase (decrease) from operations:					
Total revenue	0.32	0.31	0.32	0.29	0.52
Total expenses	(0.03)	(0.03)	(0.04)	(0.03)	(0.02)
Realized gains (losses) for the period	0.20	0.27	0.25	(0.13)	0.13
Unrealized gains (losses) for the period	0.74	(0.59)	0.25	0.28	0.07
Total increase (decrease) from operations⁽²⁾	1.23	(0.04)	0.78	0.41	0.70
Distributions:					
From income (excluding dividends)	(0.26)	(0.56)	(0.30)	(0.51)	-
From dividends	(0.08)	-	-	-	-
From capital gains	(0.14)	-	-	-	(0.72)
Return of capital	(0.24)	(0.16)	(0.39)	-	-
Total annual distributions⁽³⁾	(0.72)	(0.72)	(0.69)	(0.51)	(0.72)
Net asset value, end of period	9.67	9.17	9.94	9.82	9.99

⁽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 Strategic Yield Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	53,150,159	52,592,511	60,256,202	61,287,511	43,003,794
Number of units outstanding ⁽¹⁾	5,429,519	5,674,510	6,006,676	6,163,052	4,170,817
Management expense ratio after absorption (%) ⁽²⁾	2.30	2.30	2.30	2.28	2.27
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.30	2.30	2.30	2.28	2.27
Trading expense ratio (%) ⁽³⁾	0.05	0.06	0.07	0.06	0.07
Portfolio turnover rate (%) ⁽⁴⁾	58.34	77.84	64.57	65.38	115.66
Net asset value per unit (\$) ⁽¹⁾	9.79	9.27	10.03	9.94	10.31

Sun Life Dynamic Strategic Yield Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	2,820,309	2,103,562	1,669,475	842,764	590,985
Number of units outstanding ⁽¹⁾	274,824	216,619	158,924	81,134	55,588
Management expense ratio after absorption (%) ⁽²⁾	1.14	1.13	1.19	1.16	1.16
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.14	1.13	1.19	1.16	1.16
Trading expense ratio (%) ⁽³⁾	0.05	0.06	0.07	0.06	0.07
Portfolio turnover rate (%) ⁽⁴⁾	58.34	77.84	64.57	65.38	115.66
Net asset value per unit (\$) ⁽¹⁾	10.26	9.71	10.50	10.39	10.63

Sun Life Dynamic Strategic Yield Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	104,680,546	99,501,918	105,900,689	103,680,167	102,434,747
Number of units outstanding ⁽¹⁾	9,501,644	9,541,735	9,449,259	9,587,422	9,371,332
Management expense ratio after absorption (%) ⁽²⁾	0.07	0.07	0.06	0.07	0.09
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.07	0.07	0.06	0.07	0.09
Trading expense ratio (%) ⁽³⁾	0.05	0.06	0.07	0.06	0.07
Portfolio turnover rate (%) ⁽⁴⁾	58.34	77.84	64.57	65.38	115.66
Net asset value per unit (\$) ⁽¹⁾	11.02	10.43	11.21	10.81	10.93

Sun Life Dynamic Strategic Yield Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	10,302,705	10,179,176	12,006,151	10,099,719	7,568,657
Number of units outstanding ⁽¹⁾	1,065,108	1,110,170	1,208,391	1,028,008	757,776
Management expense ratio after absorption (%) ⁽²⁾	0.18	0.18	0.23	0.20	0.21
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.18	0.18	0.23	0.20	0.21
Trading expense ratio (%) ⁽³⁾	0.05	0.06	0.07	0.06	0.07
Portfolio turnover rate (%) ⁽⁴⁾	58.34	77.84	64.57	65.38	115.66
Net asset value per unit (\$) ⁽¹⁾	9.67	9.17	9.94	9.82	9.99

⁽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:

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate (%)	Dealer Compensation (%) ^(*)	General Administration, Investment Advice and Profit (%)
Series A Units	1.85	43	57
Series F 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 Strategic Yield Fund

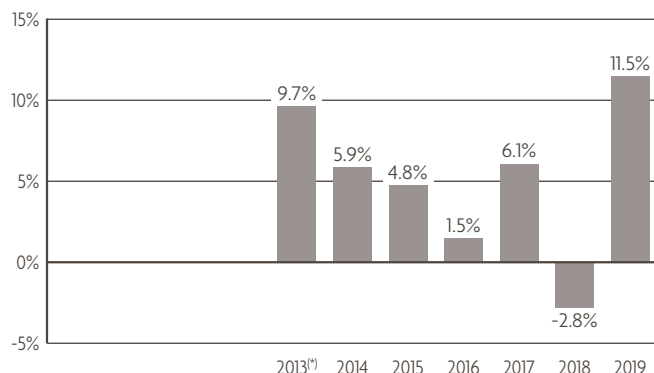
Past Performance

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

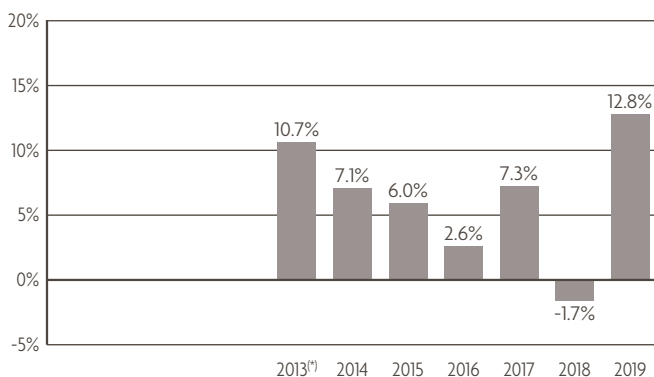
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

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



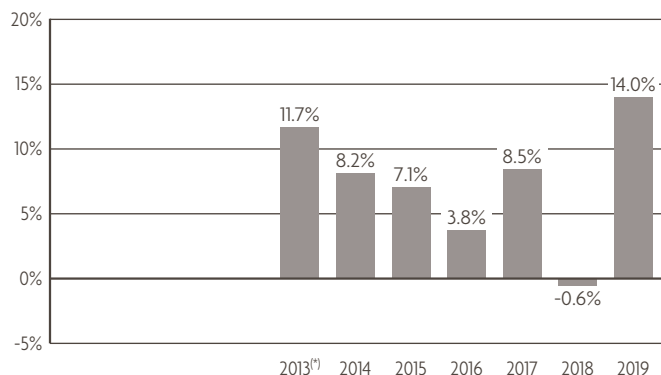
^(*) for the period of January 17, 2013 to December 31, 2013.

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



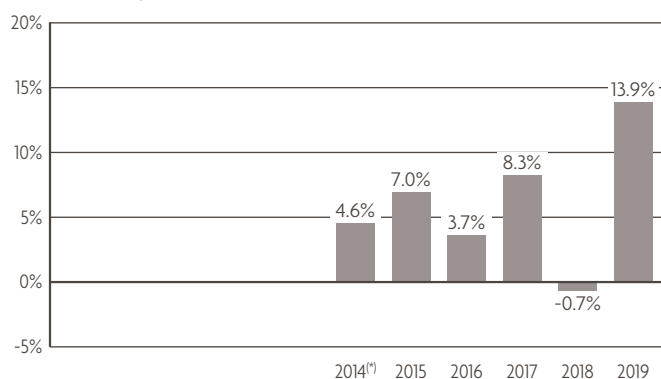
^(*) for the period of January 17, 2013 to December 31, 2013.

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



^(*) for the period of January 17, 2013 to December 31, 2013.

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



^(*) for the period of April 1, 2014 to December 31, 2014.

Annual Compound Returns

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

The benchmark (the "Benchmark") is composed of:
 50.0% FTSE Canada Universe Bond Index
 50.0% S&P/TSX Composite Index

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

The following are the broad-based index or indices:

Broad-based index 1 - MSCI World Index C\$
 Broad-based index 2 - Bloomberg Barclays Global Aggregate Bond Index C\$

Sun Life Dynamic Strategic Yield Fund

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
Series A	11.5%	4.8%	4.1%	N/A	5.2%
Series F	12.8%	6.0%	5.3%	N/A	6.4%
Series I	14.0%	7.1%	6.4%	N/A	7.5%
Benchmark	14.8%	5.3%	4.8%	N/A	5.6%
Broad-based index 1	21.2%	11.3%	11.2%	11.8%	14.6%
Broad-based index 2	1.4%	3.1%	4.6%	N/A	5.5%
Series O	13.9%	7.0%	6.3%	N/A	6.3%
Benchmark	14.8%	5.3%	4.8%	N/A	5.1%
Broad-based index 1	21.2%	11.3%	11.2%	11.8%	11.3%
Broad-based index 2	1.4%	3.1%	4.6%	N/A	4.6%

⁽¹⁾ The performance start date for Series A units was January 17, 2013.

⁽²⁾ The performance start date for Series F units was January 17, 2013.

⁽³⁾ The performance start date for Series I units was January 17, 2013.

⁽⁴⁾ The performance start date for Series O units was April 1, 2014.

INDEX DESCRIPTION(S)

The FTSE Canada Universe Bond Index is a market capitalization weighted index composed of investment grade, fixed coupon, government and corporate bonds, issued in Canada and denominated in Canadian dollars, with a remaining term to maturity of at least one year.

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.

The MSCI World Index is a free float adjusted market capitalization index that is designed to measure global developed market equity performance.

The Bloomberg Barclays Global Aggregate Bond Index measures the performance of the global investment-grade fixed-rate debt markets. It is composed of government, government-related and corporate bonds, as well as asset-backed, mortgage-backed and commercial mortgage-backed securities from both developed and emerging markets issuers.

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

Holding Name [†]	Percentage of Net Asset Value of the Fund (%)
1 Dynamic Total Return Bond Fund, Series O	15.0
2 Cash	6.5
3 Dynamic Credit Spectrum Fund, Series O	3.0
4 Dynamic High Yield Bond Fund, Series O	3.0
5 Blackstone Group Inc.	2.4
6 Microsoft Corp.	2.3
7 1832AM Investment Grade U.S. Corporate Bond Pool, Series I	2.3
8 Brookfield Asset Management Inc.	2.1
9 Comcast Corp.	1.8
10 Innergex Renewable Energy Inc.	1.7
11 Equity Residential	1.6
12 Fortis Inc.	1.6
13 Starwood Property Trust Inc.	1.5
14 Royal Bank of Canada	1.4
15 Verizon Communications Inc.	1.3
16 Sempra Energy	1.3
17 JPMorgan Chase & Co.	1.2
18 TJX Cos Inc.	1.2
19 Killam Apartment Real Estate Investment Trust	1.2
20 BCE Inc.	1.2
21 Enbridge Inc.	1.1
22 Pfizer Inc.	1.1
23 Johnson & Johnson	1.1
24 Brookfield Business Partners LP	1.1
25 Medtronic PLC	1.0
	59.0
Total Net Asset Value ('000's)	\$ 170,954

Sun Life Dynamic Strategic Yield Fund

Sector Allocation

	Percentage of Net Asset Value of the Fund %
Mutual Funds - Canadian Fixed Income	15.1
Canadian Corporate Bond	13.7
Financials	12.7
Cash and Cash Equivalents**	7.4
Information Technology	6.5
Mutual Funds - High Yield Fixed Income	5.9
Communication Services	5.8
Utilities	5.3
Health Care	4.4
Energy	4.1
Real Estate	4.0
Industrials	3.3
Consumer Discretionary	3.0
Materials	2.5
U.S. Corporate Bond	2.3
Consumer Staples	1.7
Mutual Funds - Income and Real Property	1.0
Canadian Provincial Government Bond	0.5
Canadian Federal Government Bond	0.3
Mortgage-Backed Securities	0.3
Canadian Municipal Government Bond	0.2
	100.0

Asset Allocation

	Percentage of Net Asset Value of the Fund %
Canadian Fixed Income	36.0
U.S. Equities	30.4
Canadian Equities	20.3
Cash and Cash Equivalents**	7.4
U.S. Fixed Income	2.3
International Equities	3.6
	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.

(†) The investment portfolio include(s) one or more other investment fund(s). The prospectus of the underlying investment fund(s) and other information can be found on SEDAR at www.sedar.com.

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 Strategic Yield 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.

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