
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life Excel Emerging Markets Fund



Sun Life Excel Emerging Markets 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 investment objectives of the Sun Life Excel Emerging Markets Fund (the "Fund") are to seek capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets.

The Fund's Sub-Advisor is Schroder Investment Management North America Inc. (the "Sub-Advisor"). The Fund's investment strategy is to invest using a combination of quantitative and fundamental models, seeking to add value from country decisions and stock selection. The Fund generally invests in equity securities of companies with a connection to countries other than those classified as "Developed" by MSCI. The Fund may also invest in companies that are not domiciled in emerging markets but derive a significant portion of their revenues or profits from, or hold a significant portion of their assets in, an emerging market country.

Risk

The risk-rating for the Fund has changed from "Medium to High" to "Medium" effective as of July 18, 2019. This change is the result of a review that was conducted as part of Sun Life Global Investments' ongoing fund review process. The investment objectives and strategies of the Fund remain unchanged. 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 \$596.4 million to \$774.1 million due to positive net sales, as well as positive performance.

During the period, the Fund returned 14.0% for Series A units, this result surpassed the Fund's benchmark, which returned 12.4%. 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 overweight allocation to Russia and Brazil positively impacted the performance of the fund. Russia was the best-performing market in the index, supported by a rally in crude oil prices. Although economic growth disappointed, later in the

period inflation eased and the central bank began to ease monetary policy. Brazilian equities outperformed as congress passed the long-awaited pension reform bill. Saudi Arabia was added to the index during the year, but the market fell back following inclusion. Malaysia underperformed as economic growth remained relatively subdued and political uncertainty returned. India recorded a positive return but underperformed its peers. Prime Minister Modi's Bharatiya Janata Party was re-elected, which was supportive of the investment outlook. However, economic growth continued to slow, the fiscal outlook deteriorated and domestic policy concerns emerged.

The Fund's underweight allocation to Taiwanese equities detracted from the Fund's performance as Taiwanese equities rallied, supported by strong performance from Technology sector names later during the reporting period as earnings expectations were favourable.

Stock selection in China was a contributor to the Fund's performance as the Fund had an overweight allocation to Midea and Alibaba. Midea outperformed as it continues to grow market share and earnings, while Alibaba recorded a strong gain as earnings were better than expected, supported by strong revenue growth and better cost controls.

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.

Global equities recorded a robust return in 2019, led by the U.S. The U.S.-China trade dispute escalated, and concerns over global growth continued to build. However, towards the end of the reporting period, the U.S. and China agreed to a phase one deal, which was signed on January 15, 2020. Meanwhile, major central banks responded to the weaker outlook with a more accommodative monetary policy. The U.S. Federal Reserve ended policy normalization and cut interest rates. The European Central Bank lowered its deposit rate further into negative territory and restarted quantitative easing. Against this backdrop, a number of emerging market central banks eased monetary policy. Emerging Market equities registered a positive return. The MSCI Emerging Markets Index increased in value but underperformed the MSCI World.

Sun Life Excel Emerging Markets Fund

Russia was the best-performing index market, supported by a rally in crude oil prices. Although economic growth disappointed, later in the period inflation eased and the central bank began to ease monetary policy. Colombia also benefited from higher crude prices and outperformed the index. Egypt and Greece registered strong returns as both economies continued to recover. Brazil also finished ahead of the index as the senate passed the long-awaited pension reform bill.

China posted a strong gain and outperformed its emerging market peers. Economic growth continued to slow, reaching 6% year-on-year in Q3 2019. In response to slowing activity, the authorities deployed stimulus measures. The U.S. implemented further tariffs, with \$550 billion of Chinese imports now subject to tariffs. The U.S. also added Chinese telecommunications group Huawei to a trade blacklist, citing security concerns. In retaliation, China extended tariffs on U.S. goods to cover \$185 billion of imports. During the period, MSCI quadrupled the weight of China A-share's weight in its emerging market indexes.

By contrast, Argentina, which returned to the MSCI Emerging Markets Index in May 2019, fell sharply as the primary election results indicated that the opposition Peronist Party would win the October elections. This outcome subsequently materialized, with a significant policy shift now anticipated. Chilean equities lost value as there was civil unrest towards the end of the period, amid wider concerns over inequality, increased uncertainty over the policy outlook. Poland and Saudi Arabia also finished behind the index. In Poland, this was primarily due to weakness from banks. Saudi Arabia was added to the index during the reporting period, but the market fell back following the inclusion. India recorded a positive return but underperformed the broad emerging markets index. Prime Minister Modi's Bharatiya Janata Party was re-elected, which is supportive of the investment outlook. However, economic growth continued to slow, the fiscal outlook deteriorated and domestic policy concerns emerged during the reporting period.

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 Schroder Investment Management North America Inc. 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 Excel Emerging Markets 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 Excel Emerging Markets Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.10	11.13	8.61	8.23	8.06
Increase (decrease) from operations:					
Total revenue	0.36	0.32	0.25	0.24	0.24
Total expenses	(0.73)	(0.79)	(1.46)	(1.44)	(1.31)
Realized gains (losses) for the period	0.07	(0.07)	0.30	(0.02)	(0.10)
Unrealized gains (losses) for the period	1.71	(1.45)	3.38	1.70	1.18
Total increase (decrease) from operations⁽²⁾	1.41	(1.99)	2.47	0.48	0.01
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	(0.01)	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	-	(0.01)	-	-	-
Net asset value, end of period	11.52	10.10	11.13	8.61	8.23

Sun Life Excel Emerging Markets Fund - Series DB

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	9.00	10.00
Increase (decrease) from operations:		
Total revenue	0.32	0.15
Total expenses	(0.45)	(0.28)
Realized gains (losses) for the period	0.07	(0.05)
Unrealized gains (losses) for the period	1.47	(0.80)
Total increase (decrease) from operations⁽²⁾	1.41	(0.98)
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.06)	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions⁽³⁾	(0.06)	-
Net asset value, end of period	10.29	9.00

Sun Life Excel Emerging Markets Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.66	11.73	9.04	8.57	8.34
Increase (decrease) from operations:					
Total revenue	0.37	0.33	0.25	0.26	0.25
Total expenses	(0.45)	(0.49)	(1.00)	(0.97)	(0.88)
Realized gains (losses) for the period	0.07	(0.10)	0.36	(0.03)	(0.09)
Unrealized gains (losses) for the period	1.67	(1.77)	2.81	1.64	0.74
Total increase (decrease) from operations⁽²⁾	1.66	(2.03)	2.42	0.90	0.02
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.11)	(0.13)	(0.08)	(0.03)	(0.03)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.11)	(0.13)	(0.08)	(0.03)	(0.03)
Net asset value, end of period	12.17	10.66	11.73	9.04	8.57

Sun Life Excel Emerging Markets Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.97	12.03	9.18	8.71	8.47
Increase (decrease) from operations:					
Total revenue	0.38	0.33	0.27	0.26	0.25
Total expenses	(0.03)	(0.03)	(0.05)	(0.04)	(0.04)
Realized gains (losses) for the period	0.09	0.08	0.34	(0.02)	0.01
Unrealized gains (losses) for the period	1.55	(1.36)	2.40	0.53	0.09
Total increase (decrease) from operations⁽²⁾	1.99	(0.98)	2.96	0.73	0.31
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.29)	(0.25)	(0.17)	(0.19)	(0.20)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.29)	(0.25)	(0.17)	(0.19)	(0.20)
Net asset value, end of period	12.54	10.97	12.03	9.18	8.71

Sun Life Excel Emerging Markets Fund - Series IS

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	9.08	10.00
Increase (decrease) from operations:		
Total revenue	0.34	0.19
Total expenses	(0.30)	(0.18)
Realized gains (losses) for the period	0.13	(0.02)
Unrealized gains (losses) for the period	1.45	(1.62)
Total increase (decrease) from operations⁽²⁾	1.62	(1.63)
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total annual distributions⁽³⁾	-	-
Net asset value, end of period	10.50	9.08

Sun Life Excel Emerging Markets Fund

Sun Life Excel Emerging Markets Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	13.08	14.35	10.94	10.39	10.11
Increase (decrease) from operations:					
Total revenue	0.47	0.39	0.31	0.31	0.28
Total expenses	(0.08)	(0.08)	(0.13)	(0.12)	(0.11)
Realized gains (losses) for the period	0.09	0.11	0.40	(0.03)	0.18
Unrealized gains (losses) for the period	1.66	(1.73)	2.99	0.79	(0.19)
Total increase (decrease) from operations⁽²⁾	2.14	(1.31)	3.57	0.95	0.16
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.33)	(0.28)	(0.19)	(0.22)	(0.23)
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.33)	(0.28)	(0.19)	(0.22)	(0.23)
Net asset value, end of period	14.95	13.08	14.35	10.94	10.39

⁽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 Excel Emerging Markets Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	40,530,479	44,070,770	3,307,235	2,185,377	1,725,154
Number of units outstanding ⁽¹⁾	3,517,737	4,361,374	297,220	253,822	209,545
Management expense ratio (%) ⁽²⁾	2.56	2.52	2.92	2.94	2.90
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.56	2.52	2.92	2.94	2.90
Trading expense ratio (%) ⁽³⁾	0.18	0.15	0.15	0.30	0.53
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35	30.98	73.95	72.85
Net asset value per unit (\$) ⁽¹⁾	11.52	10.10	11.13	8.61	8.23

Sun Life Excel Emerging Markets Fund - Series DB

	2019	2018
Total net asset value (\$) ⁽¹⁾	75,888	79,662
Number of units outstanding ⁽¹⁾	7,378	8,850
Management expense ratio (%) ⁽²⁾	1.75	1.81
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.75	1.81
Trading expense ratio (%) ⁽³⁾	0.18	0.15
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35
Net asset value per unit (\$) ⁽¹⁾	10.29	9.00

Sun Life Excel Emerging Markets Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	12,221,828	11,870,310	165,527	30,578	17,947
Number of units outstanding ⁽¹⁾	1,003,874	1,113,912	14,108	3,382	2,093
Management expense ratio (%) ⁽²⁾	1.47	1.46	1.86	1.88	1.86
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.47	1.46	1.86	1.88	1.86
Trading expense ratio (%) ⁽³⁾	0.18	0.15	0.15	0.30	0.53
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35	30.98	73.95	72.85
Net asset value per unit (\$) ⁽¹⁾	12.17	10.66	11.73	9.04	8.57

Sun Life Excel Emerging Markets Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	719,590,856	537,293,955	384,197,744	188,505,123	127,260,104
Number of units outstanding ⁽¹⁾	57,398,292	48,976,842	31,933,112	20,544,164	14,614,776
Management expense ratio (%) ⁽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⁾	0.18	0.15	0.15	0.30	0.53
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35	30.98	73.95	72.85
Net asset value per unit (\$) ⁽¹⁾	12.54	10.97	12.03	9.18	8.71

Sun Life Excel Emerging Markets Fund - Series IS

	2019	2018
Total net asset value (\$) ⁽¹⁾	587,706	2,124,311
Number of units outstanding ⁽¹⁾	55,955	233,886
Management expense ratio (%) ⁽²⁾	1.13	1.13
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.13	1.13
Trading expense ratio (%) ⁽³⁾	0.18	0.15
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35
Net asset value per unit (\$) ⁽¹⁾	10.50	9.08

Sun Life Excel Emerging Markets Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	1,090,728	972,383	598,039	295,898	192,328
Number of units outstanding ⁽¹⁾	72,969	74,346	41,690	27,039	18,516
Management expense ratio (%) ⁽²⁾	0.17	0.17	0.17	0.17	0.17
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.17	0.17	0.17	0.17	0.17
Trading expense ratio (%) ⁽³⁾	0.18	0.15	0.15	0.30	0.53
Portfolio turnover rate (%) ⁽⁴⁾	60.15	37.35	30.98	73.95	72.85
Net asset value per unit (\$) ⁽¹⁾	14.95	13.08	14.35	10.94	10.39

⁽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.

Sun Life Excel Emerging Markets Fund

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	2.15	39	61
Series DB Units	1.40	16	84
Series F Units	1.15	–	100
Series I Units ^(†)	–	–	–
Series IS Units	0.85	–	100
Series O Units ^(‡)	1.15	–	–

(*) 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.

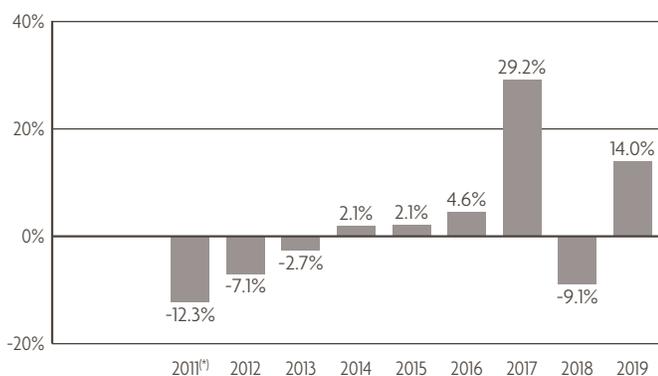
Past Performance

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

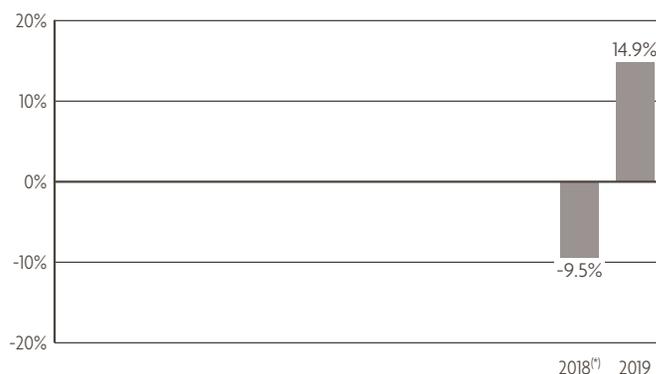
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

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



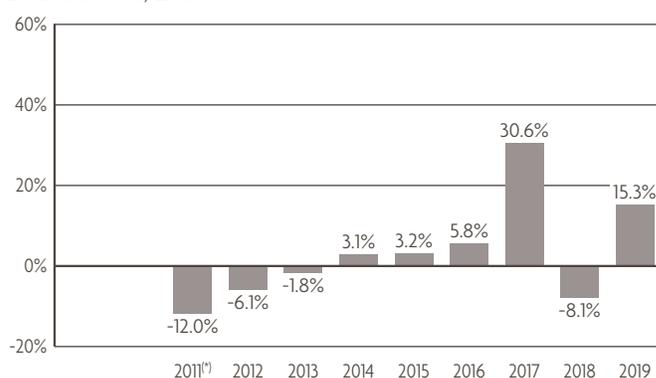
(*) for the period of September 1, 2011 to December 31, 2011.

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



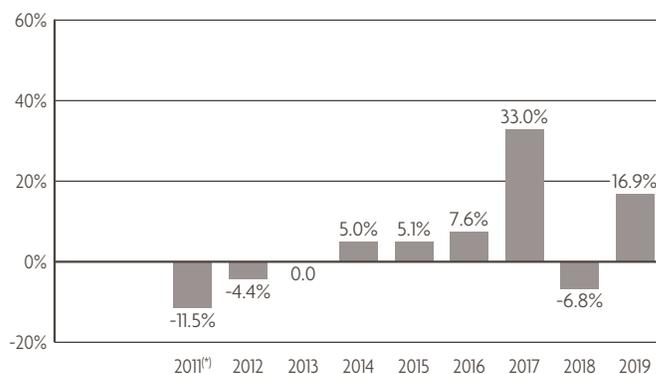
(*) for the period of June 15, 2018 to December 31, 2018.

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



(*) for the period of September 1, 2011 to December 31, 2011.

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



(*) for the period of September 1, 2011 to December 31, 2011.

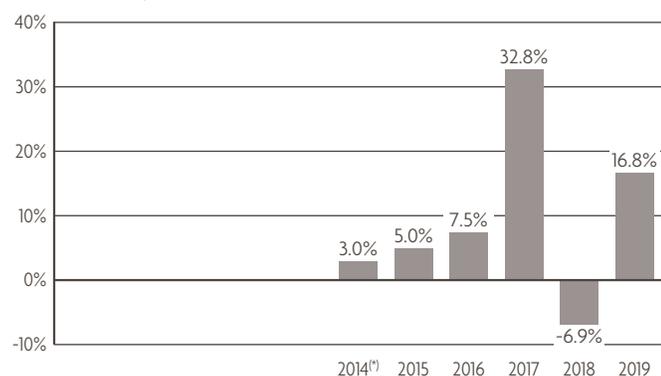
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Series IS Units – Annual return for the period ended December 31, 2019



⁽¹⁾ for the period of June 15, 2018 to December 31, 2018.

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



⁽¹⁾ 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, IS, DB and O securities of the Fund with the following benchmark and broad-based index, if applicable:

The benchmark (the “Benchmark”) is composed of:
MSCI Emerging Markets Index C\$

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

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾
Series A	14.0%	10.2%	7.4%	N/A	1.8%
Benchmark	12.4%	10.3%	8.0%	5.9%	6.9%
Series DB	14.9%	N/A	N/A	N/A	2.6%
Benchmark	12.4%	10.3%	8.0%	5.9%	1.7%
Series F	15.3%	11.4%	8.6%	N/A	2.9%
Series I	16.9%	13.1%	10.4%	N/A	4.6%
Benchmark	12.4%	10.3%	8.0%	5.9%	6.9%
Series IS	15.7%	N/A	N/A	N/A	3.2%
Benchmark	12.4%	10.3%	8.0%	5.9%	1.7%

Series O	16.8%	13.0%	10.3%	N/A	9.4%
Benchmark	12.4%	10.3%	8.0%	5.9%	7.5%

⁽¹⁾ The performance start date for Series A units was September 1, 2011.

⁽²⁾ The performance start date for Series DB units was June 15, 2018.

⁽³⁾ The performance start date for Series F units was September 1, 2011.

⁽⁴⁾ The performance start date for Series I units was September 1, 2011.

⁽⁵⁾ The performance start date for Series IS units was June 15, 2018.

⁽⁶⁾ The performance start date for Series O units was April 1, 2014.

INDEX DESCRIPTION(S)

The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to capture large and mid cap representation across 26 Emerging Markets (EM) countries.

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

Holding Name ¹	Percentage of Net Asset Value of the Fund (%)
1 Alibaba Group Holding Ltd.	7.5
2 Samsung Electronics Co., Ltd.	7.0
3 Taiwan Semiconductor Manufacturing Co., Ltd.	6.6
4 Tencent Holdings Ltd.	5.9
5 Cash	3.1
6 Ping An Insurance Group Co. of China Ltd.	2.8
7 Sberbank of Russia	2.4
8 AIA Group Ltd.	2.0
9 Itau Unibanco Holding SA	1.9
10 Naspers Ltd.	1.6
11 Midea Group Co., Ltd.	1.6
12 CNOOC Ltd.	1.6
13 China Mengniu Dairy Co., Ltd.	1.5
14 ICICI Bank Ltd.	1.5
15 Fomento Economico Mexicano SAB de CV	1.5
16 Schroder International Selection Fund Frontier Markets Equity Fund, Series I ¹	1.5
17 Gazprom OAO	1.4
18 Lojas Renner SA	1.4
19 HDFC Bank Ltd.	1.4
20 Lukoil PJSC	1.4
21 Largan Precision Co., Ltd.	1.2
22 China Pacific Insurance Group Co., Ltd.	1.2
23 Shenzhou International Group Holdings Ltd.	1.2
24 Hon Hai Precision Industry Co., Ltd.	1.1
25 NovaTek OAO	1.1
Total Net Asset Value ('000's)	\$ 774,097

Sun Life Excel Emerging Markets Fund

Sector Allocation

	Percentage of Net Asset Value of the Fund %
Financials	24.2
Information Technology	20.9
Consumer Discretionary	16.5
Communication Services	10.4
Energy	9.9
Consumer Staples	6.3
Materials	3.5
Cash and Cash Equivalents**	2.3
Industrials	1.7
Mutual Funds - Global Equities	1.5
Health Care	1.2
Utilities	0.9
Real Estate	0.7
	100.0

Geographic Allocation

	Percentage of Net Asset Value of the Fund %
Other	18.0
Cayman Islands	17.1
Korea	13.4
Taiwan	11.5
Brazil	10.0
China	9.8
Hong Kong	7.4
Russia	7.2
India	3.8
South Africa	1.8
	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 Fund has obtained an exemption from the Canadian Securities Administrators to purchase units of Schroder International Selection Fund Frontier Markets Equity Fund, Series I, a foreign investment fund. For more information on the exemption, please refer to the fund's annual information form, which is available on our website at sunlifeglobalinvestments.com.

(‡) 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 Excel Emerging Markets 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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