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## SLGI ASSET MANAGEMENT INC.

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### ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended December 31, 2024

Sun Life Global Mid Cap Fund  
(formerly Sun Life Schroder Global Mid Cap Fund)



# Sun Life Global Mid Cap Fund

(formerly Sun Life Schroder Global Mid Cap 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](mailto:info@sunlifeglobalinvestments.com) or by writing to us at SLGI Asset Management Inc., 1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6. The financial statements are available on our website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) and on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

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

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

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objectives and Strategies

The investment objectives of the Sun Life Global Mid Cap Fund (formerly Sun Life Schroder Global Mid Cap Fund) (the "Fund") are to seek capital appreciation by investing primarily in the equity securities of medium capitalization global companies and, to a lesser extent, equity securities of small and large capitalization global companies.

The Fund's sub-advisors are Acadian Asset Management LLC ("Acadian") and MFS Investment Management Canada Limited ("MFS IMC"), and the sub-advisor to MFS IMC is MFS Institutional Advisors, Inc. ("MFS"). The Fund uses a bottom-up investment approach and selects investments primarily using fundamental analysis of issuers and their potential in light of their current financial condition and industry position, as well as market, economic, political and regulatory conditions. The Fund considers factors such as earnings, cash flows and competitive position. The Fund uses a combination of quantitative and fundamental models, seeking to add value from country decisions and stock selection.

### Risk

Effective October 4, 2024, the Fund's investment objectives and strategies changed. Please refer to the 'Results of Operations' and 'Recent Developments' section of this report for more information. The risks associated with investing in the Fund remain as outlined in the Fund's Simplified Prospectus.

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

### Results of Operations

During the period, the net asset value of the Fund decreased from \$875.3 million to \$851.2 million due to negative net sales, partially offset by positive performance.

During the period, the Fund returned 16.1% for Series I securities, this result lagged the Fund's benchmark, MSCI ACWI Mid Cap Index C\$, which returned 19.4%. Please refer to the 'Past Performance' section of this report for performance of each series of securities of the Fund.

During the reporting period, global stock markets recorded robust returns against the backdrop of macro-economic fragility, an escalation of geopolitical tensions and uncertainty with major elections in many parts of the world. Global stock markets have been supported by major global central banks pivoting to cutting interest rates amid signs of slower economic growth and easing inflation. The U.S. economy has been the primary driver of global stock market performance propelled by well-received and broadening corporate earnings growth and the ongoing enthusiasm around generative Artificial Intelligence (AI). Japan was also one of the better-performing markets over the period with Japanese equity markets surged to multi-decade highs. Corporate governance reforms and a weak yen attracted foreign investment while accommodative monetary policy from the Bank of Japan provided liquidity support. In this environment, Growth stocks outperformed Value stocks. Against this backdrop, returns were concentrated in larger companies, specifically those in the Information Technology sector, driven by optimism in AI-related innovation.

Effective close of business on October 4, 2024, the Fund adopted a new investment objective, new investment strategies, and was renamed Sun Life Global Mid Cap Fund. Much of the commentary below is related to the Fund's performance under its previous mandate and the benchmark used for comparison purposes is the MSCI World Small Cap Index.

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In the Fund, security selection within the Information Technology and Industrials sectors detracted from performance. An overweight position in LiveRamp Holdings Inc., an American SaaS company, detracted from performance. Despite achieving revenue growth, the company reported a GAAP operating loss of \$5 million for the quarter ending June 30, 2024. Investors raised concerns about the profitability and growth trajectory of the company, leading to a sell-off in the market. An overweight position in Rentokil Initial PLC ADR, a British pest control service company, detracted from performance. The company revised its profit expectations to £700 million, which fell below analysts' expectations and below the £776 million reported in the previous year. This shortfall was attributed to a slowdown in its North American operations, particularly weaker demand for termite extermination services.

Security selection within Consumer Staples contributed to performance. An overweight position in Primo Water Corp, an American-Canadian water company, contributed to performance. A strategic merger with Blue Triton Brands was viewed favourably by the market. The merger is expected to provide \$200 million in cost synergies over three years.

## Recent Developments

Effective close of business on October 4, 2024, the Sun Life Schroder Global Mid Cap Fund (the Fund) changed its investment strategies and its sub-advisors, Schroder Investment Management North America Inc., was replaced with two new sub-advisors: Acadian Asset Management LLC and MFS Investment Management Canada Limited. In addition, the Fund was renamed as Sun Life Global Mid Cap Fund.

Also, effective close of business on October 4, 2024, Series A, Series T8, Series F and Series O (the "Terminating Series") of the Fund were closed and SLGI Asset Management Inc. redeemed any investors remaining in the Terminating Series as of this date. Series I remains open for eligible purchasers.

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

## Related Party Transactions

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

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

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

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained Acadian Asset Management LLC (the "Sub-Advisor") and MFS Investment Management Canada Limited ("MFS IMC"), an affiliate of the Manager, to act as sub-advisors for the Fund. The sub-advisor to MFS IMC is MFS Institutional Advisors, Inc. ("MFS"), which is an affiliate of MFS IMC. Sun Life Financial Inc. has an indirect majority ownership interest in MFS IMC and MFS.

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

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

## Fund Administrative Expenses

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

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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 Independent Review Committee ("IRC"); taxes payable by the Fund; contingent fees for foreign tax reclaim filings; and the costs of complying with any new regulatory or legal requirement imposed on the Fund. The Fund allocates Fund Costs proportionately among each series of securities of the Fund to which they apply. The Fund Costs that are specific to a series of securities are allocated to that series. These amounts are paid out of the assets attributed to each series of securities of the Fund, which reduces the return you may receive.

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

## Financial Highlights

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

### The Fund's Net Asset Value per Security (\$)<sup>(1)</sup>

#### Sun Life Global Mid Cap Fund (formerly Sun Life Schroder Global Mid Cap Fund) - Series I

	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)
Net asset value, beginning of period	12.55	11.92	14.39	13.19	12.13
Increase (decrease) from operations:					
Total revenue	0.22	0.20	0.18	0.19	0.20
Total expenses	(0.05)	(0.04)	(0.04)	(0.04)	(0.04)
Realized gains (losses) for the period	1.80	0.22	(0.17)	1.54	(0.52)
Unrealized gains (losses) for the period	0.07	0.57	(2.77)	0.57	1.35
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.04</b>	<b>0.95</b>	<b>(2.80)</b>	<b>2.26</b>	<b>0.99</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.19)	(0.31)	(0.18)	(0.15)	(0.14)
From capital gains	(1.38)	(0.03)	-	(0.95)	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.57)</b>	<b>(0.34)</b>	<b>(0.18)</b>	<b>(1.10)</b>	<b>(0.14)</b>
<b>Net asset value, end of period</b>	<b>13.00</b>	<b>12.55</b>	<b>11.92</b>	<b>14.39</b>	<b>13.19</b>

## Ratios and Supplemental Data

#### Sun Life Global Mid Cap Fund (formerly Sun Life Schroder Global Mid Cap Fund) - Series I

	2024	2023	2022	2021	2020
Total net asset value (\$000s) <sup>(1)</sup>	851,183	873,390	1,004,859	1,608,993	1,203,238
Number of securities outstanding (000s) <sup>(1)</sup>	65,452	69,586	84,288	111,811	91,199
Management expense ratio (%)	0.06	0.06	0.06	0.06	0.06
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.06	0.06	0.06	0.06	0.06
Trading expense ratio (%) <sup>(3)</sup>	0.13	0.06	0.05	0.04	0.08
Portfolio turnover rate (%) <sup>(4)</sup>	246.92	52.70	49.63	48.52	66.24
Net asset value per security (\$) <sup>(1)</sup>	13.00	12.55	11.92	14.39	13.19

## 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.

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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 (%) <sup>(*)</sup>	General Administration, Investment Advice and Profit (%)
Series I Securities <sup>(#)</sup>	-	-	100

(\*) Includes sales and trailing commissions.

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

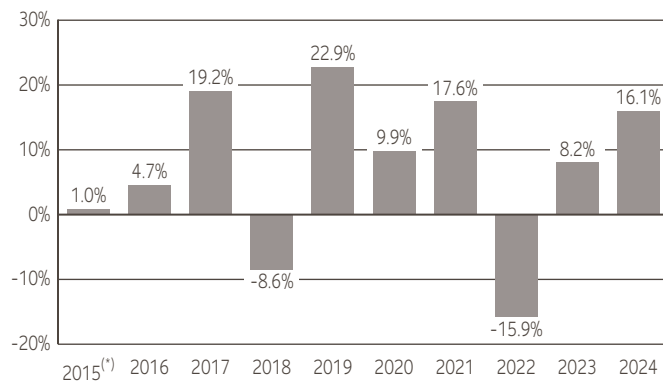
## Past Performance

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

## Year-by-Year Returns

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

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



(\*) for the period of February 2, 2015 to December 31, 2015.

## Annual Compound Returns

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

The current benchmark (the "Current Benchmark") is composed of:

MSCI ACWI Mid Cap Index C\$

The previous benchmark (the "Previous Benchmark") is composed of:

100.0% MSCI World Small Cap Index C\$

The index was changed on October 4, 2024 as a result of the Fund changing its investment strategies.

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

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

	1 Year	3 Year	5 Year	10 Year	Performance Start Date <sup>(1)</sup>
Series I	16.1%	1.9%	6.4%	-	6.9%
Current Benchmark	19.4%	5.3%	8.8%	-	8.6%
Previous Benchmark	18.0%	5.0%	8.7%	-	9.1%

(1) The performance start date for Series I securities was February 2, 2015.

## INDEX DESCRIPTION(S)

The MSCI ACWI Mid Cap Index C\$ is a free float adjusted market capitalization index that captures mid cap representation across 23 Developed Markets countries and 24 Emerging Markets countries.

The MSCI World Small Cap Index C\$ is a free float adjusted market capitalization index that captures small cap representation across 23 Developed Markets countries.

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## Summary of Investment Portfolio \*

as at December 31, 2024

### Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Cash and Cash Equivalents	1.4
2 GFL Environmental Inc.	1.1
3 Burlington Stores Inc.	1.0
4 Westinghouse Air Brake Technologies Corp.	1.0
5 AUB Group Ltd.	1.0
6 Euronext NV	1.0
7 Cal-Maine Foods Inc.	1.0
8 Jacobs Solutions Inc.	0.9
9 Atmus Filtration Technologies Inc.	0.9
10 STERIS PLC	0.9
11 Acuity Brands Inc.	0.8
12 Melrose Industries PLC	0.8
13 RB Global Inc.	0.8
14 US Foods Holding Corp.	0.8
15 Mid-America Apartment Communities Inc.	0.8
16 OBIC Co., Ltd.	0.8
17 Veralto Corp.	0.8
18 Saipem SpA	0.7
19 International Paper Co.	0.7
20 Federated Hermes Inc.	0.7
21 Cranswick PLC	0.7
22 NS Solutions Corp.	0.7
23 Carlyle Group Inc.	0.7
24 Matador Resources Co.	0.7
25 Cboe Global Markets Inc.	0.7
	<b>21.4</b>
<b>Total Net Asset Value (000s)</b>	<b>\$ 851,183</b>

### Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Industrials	23.6
Information Technology	16.0
Financials	14.5
Consumer Discretionary	13.3
Health Care	6.8
Materials	5.8
Communication Services	5.7
Consumer Staples	5.7
Real Estate	3.8
Energy	3.1
Cash and Cash Equivalents	1.4
Utilities	0.2
Other Assets less Liabilities	0.1
	<b>100.0</b>

## Asset Allocation

	Percentage of Net Asset Value of the Fund (%)
U.S. Equities	54.5
International Equities	40.9
Canadian Equities	3.1
Cash and Cash Equivalents	1.4
Other Assets less Liabilities	0.1
	<b>100.0</b>

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

## Forward-Looking Statements

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



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