
SLGI ASSET MANAGEMENT INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended December 31, 2024

Sun Life Granite Tactical Completion Fund



Sun Life Granite Tactical Completion Fund

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

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

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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The investment objectives of the Sun Life Granite Tactical Completion Fund (the "Fund") are to seek long-term capital appreciation by using tactical asset allocation to invest primarily in exchange-traded derivatives and/or exchange-traded funds that track the performance of global equity and/or fixed income asset classes.

In pursuing the Fund's investment objective, the portfolio manager uses an asset allocation strategy to determine the optimal allocation between asset classes, tactically shifting exposure to add value to the Fund. The portfolio manager may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of each asset class.

Risk

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

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

Results of Operations

During the period, the net asset value of the Fund decreased from \$879.9 million to \$855.1 million due to negative net sales, partially offset by positive performance.

During the period, the Fund returned 12.7% for Series I securities, this result lagged the Fund's blended benchmark, 34.0% S&P/TSX 60 Index, 33.0% S&P 500 Index C\$, 27.0% MSCI EAFE Index C\$, 6.0% MSCI Emerging Markets Index C\$, which returned 23.7%. The broad-based index 1, MSCI World Index C\$, returned 29.4% and the broad-based index 2, Bloomberg Barclays Global Aggregate Bond Index C\$, returned 7.2%. We have included the returns of the broad-based indexes to help you understand how the Fund performed compared to the general market. We have also included the returns for the Fund's blended benchmark, which more closely reflects the market sectors and/or asset classes in which the Fund invests, to provide another comparison to the performance of the Fund. Please refer to the 'Past Performance' section of this report for performance of each series of securities of the Fund.

The Fund underperformed its broad-based index 1 due to the Fund's exposure to fixed income. Fixed income underperformed equities during the reporting period. The Fund outperformed its broad-based index 2 due to its overweight exposure to equities.

During the reporting period, global stock markets recorded robust returns in 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.

Sun Life Granite Tactical Completion Fund

Global bond markets saw elevated levels of volatility during the year, as central banks in developed countries started reducing interest rates. Bond yields came down during the year due to rate cuts but went up towards the end of the period. Bond yields went up due to strong economic data and uncertainty around potential inflationary policies of the new government in U.S.

All major central banks in developed countries except Japan reduced their interest rates as inflation came down closer to their target. The Federal Reserve (Fed) in U.S. cut rates for three consecutive times, bringing the target range to 4.25% - 4.5%. The European Central Bank (ECB) also cut rates four times during the year bringing the base rate to 3%. The Bank of Canada (BoC) reduced the rates by 1.75%. The BoC anticipates lower economic growth and inflation in Canada due to the government decision to reduce immigration levels.

High yield bonds outperformed investment grade bonds during the period. High yield bonds saw their spreads reduced due to higher demand from investors and stronger economic growth. A spread is the difference in yield between a Treasury bond and another debt security of the same maturity but different credit quality. Investment grade bonds are the highest quality bonds as determined by a credit rating agency. High yield bonds are more speculative, with a credit rating below investment grade bonds.

Most emerging market bonds saw lower yields as developing economies central banks reduced rates. In China, long-term benchmark yields remained near multi-decade lows as the People's Bank of China (PBoC) lowered its policy rates. Few emerging markets like Brazil and Indonesia raised rates during the year to ensure currency stability. Emerging market hard currency bonds outperformed local currency bonds. Local currency bonds had lower returns due to stronger U.S. dollar.

An overweight allocation to bonds detracted from performance. Bonds underperformed equities during the period.

An overweight allocation to equities contributed to performance during the period. Equities outperformed bonds and cash. An overweight allocation to U.S. equities contributed to performance. U.S. equities outperformed other equity markets due to strong investor demand for AI stocks. An overweight allocation to Canadian bonds contributed to performance. Canadian bonds outperformed U.S. and global bonds due to higher interest rate cuts.

Recent Developments

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

Related Party Transactions

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

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

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

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained Sun Life Capital Management (Canada) Inc. ("SLC Management"), an affiliate of the Manager, to act as a sub-advisor for the Fund.

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

The 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.

SLC Management is an indirect wholly owned subsidiary of Sun Life Financial Inc.

Sun Life Granite Tactical Completion 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 securities of the Fund. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager) and trustee fees for registered plans. The amount of this charge is disclosed as Fixed annual administration fees in the Fund's Statements of Comprehensive Income found in the annual financial statements.

The Fund also pays certain operating expenses directly (the "Fund Costs"). Fund Costs include: borrowing costs incurred by the Fund from time to time; costs in connection with portfolio transactions; fees and expenses payable to or in connection with the 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 (\$) ⁽¹⁾

Sun Life Granite Tactical Completion Fund - Series I

	2024 (\$)	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)
Net asset value, beginning of period	7.85	7.99	8.75	8.60	9.87
Increase (decrease) from operations:					
Total revenue	0.25	0.21	0.19	0.13	0.13
Total expenses	(0.02)	(0.03)	(0.04)	(0.04)	(0.05)
Realized gains (losses) for the period	0.44	(0.58)	(0.40)	0.39	(1.40)
Unrealized gains (losses) for the period	0.33	0.46	(0.43)	(0.08)	0.20
Total increase (decrease) from operations⁽²⁾	1.00	0.06	(0.68)	0.40	(1.12)
Distributions:					
From income (excluding dividends)	(0.48)	(0.23)	(0.10)	(0.24)	-
From dividends	(0.03)	-	-	(0.02)	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.51)	(0.23)	(0.10)	(0.26)	-
Net asset value, end of period	8.35	7.85	7.99	8.75	8.60

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

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

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

Ratios and Supplemental Data

Sun Life Granite Tactical Completion Fund - Series I

	2024	2023	2022	2021	2020
Total net asset value (\$000s) ⁽¹⁾	855,117	879,872	1,005,449	1,111,717	983,791
Number of securities outstanding (000s) ⁽¹⁾	102,468	112,032	125,825	127,026	114,375
Management expense ratio (%)	0.17	0.16	0.15	0.15	0.08
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.17	0.16	0.15	0.15	0.08
Trading expense ratio (%) ⁽³⁾	0.05	0.19	0.39	0.25	0.46
Portfolio turnover rate (%) ⁽⁴⁾	55.17	187.11	86.16	179.40	410.33
Net asset value per security (\$) ⁽¹⁾	8.35	7.85	7.99	8.75	8.60

⁽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.

Sun Life Granite Tactical Completion Fund

Management Fees

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

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

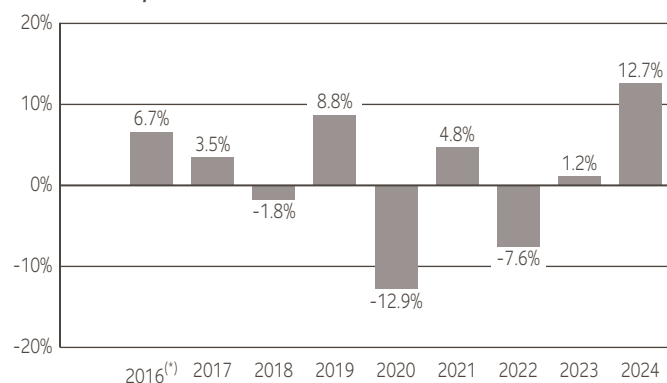
Past Performance

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

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 11, 2016 to December 31, 2016.

Annual Compound Returns

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

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

34.0% S&P/TSX 60 Index
33.0% S&P 500 Index C\$
27.0% MSCI EAFE Index C\$
6.0% MSCI Emerging Markets Index C\$

The Series I securities 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\$

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 ⁽¹⁾
Series I	12.7%	1.8%	(0.8)%	-	1.5%
Benchmark	23.7%	9.3%	11.7%	-	12.2%
Broad-based index 1	29.4%	11.0%	13.5%	-	13.2%
Broad-based index 2	7.2%	(0.3)%	0.1%	-	0.5%

⁽¹⁾ The performance start date for Series I securities was February 11, 2016.

INDEX DESCRIPTION(S)

The S&P/TSX 60 Index is a stock market index of 60 large companies listed on the Toronto Stock Exchange.

The S&P 500 Index C\$ measures the performance of the stock market index based on the market capitalizations of 500 leading companies publicly traded in the U.S. stock market.

The MSCI EAFE Index C\$ is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in 21 developed market countries within Europe, Australia and the Far East.

The MSCI Emerging Markets Index C\$ 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.

The MSCI World Index C\$ 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 C\$ 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.

Sun Life Granite Tactical Completion Fund

Summary of Investment Portfolio ^{*}

as at December 31, 2024

Top 25 Investments

Holding Name [†]	Percentage of Net Asset Value of the Fund (%)
1 BMO Aggregate Bond Index ETF	46.4
2 iShares Core S&P/TSX Capped Composite Index ETF	12.7
3 iShares Core U.S. Aggregate Bond ETF	12.6
4 iShares MSCI EAFE ETF	11.0
5 Cash and Cash Equivalents	7.7
6 SPDR S&P 500 ETF Trust	6.2
7 S&P 500 Index @5400 Call Option, Jan 31, 2025	3.0
8 WTI Crude Oil, Jan 21, 2025	0.1
	99.7
Total Net Asset Value (000s)	\$ 855,117

Asset Allocation

	Percentage of Net Asset Value of the Fund (%)
Canadian Fixed Income	46.4
U.S. Equities	17.2
Canadian Equities	12.7
U.S. Fixed Income	12.6
Cash and Cash Equivalents	7.7
Other Assets less Liabilities	3.4
	100.0

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

(†) The investment portfolio includes 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.sedarplus.ca.

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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