
SLGI ASSET MANAGEMENT INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended December 31, 2023

Sun Life MFS Diversified Income Fund



Sun Life MFS Diversified Income 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 fundamental investment objectives of the Sun Life MFS Diversified Income Fund (the "Fund") are to aim for income generation and capital appreciation by investing primarily in dividend or income paying securities, including royalty trust units, real-estate investment trust securities and limited partnership securities and other exchange-listed participating securities. The Fund may also invest in securities of other mutual funds.

The Fund's sub-advisor is MFS Investment Management Canada Limited ("MFS IMC") and the sub-advisor to MFS IMC is MFS Institutional Advisors, Inc. ("MFS"). In pursuing the Fund's investment objective, MFS normally invests in equity and fixed income securities that generate some form of income. The Fund may invest in dividend or income paying securities including preferred shares, securities convertible into stocks, real estate investment trust units, royalty trust units, limited partnership units and other exchange-listed participating securities, or warrants on dividend and income paying securities. The Fund may invest in companies of any size but may tend to place a focus on companies with large and medium capitalizations with issuers located primarily in Canada. Using a bottom-up approach to buying and selling investments for the Fund – investments are selected based on fundamental and quantitative analysis of individual issuers and their potential in light of their current financial condition, market, economic, political and regulatory conditions and considers factors such as analysis of an issuer's earnings, cash flows, competitive position and management ability.

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.

As at December 31, 2023, 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 \$211.8 million to \$205.6 million due to negative net sales, partially offset by positive performance.

During the period, the Fund returned 6.3% for Series A securities, this result lagged the Fund's blended benchmark, 30.0% MSCI ACWI High Dividend Yield Index C\$, 10.0% S&P/TSX Capped Composite Index, 15.0% FTSE EPRA/NAREIT Developed Index C\$, 17.5% FTSE Canada All Corporate Bond Index, 17.5% Bloomberg U.S. High Yield 2% Issuer Capped Index C\$, 10.0% JPMorgan EMBI Global Diversified Index C\$, which returned 8.4%. The broad-based index 1, MSCI World Index C\$, returned 20.5% and the broad-based index 2, Bloomberg Barclays Global Aggregate Bond Index C\$, returned 2.9%. We have included the returns of the broad-based index 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.

The Fund underperformed its broad-based index1 due to the Fund's higher exposure to fixed income. Equities outperformed fixed income during the reporting period. The Fund outperformed its broad-based index 2 due to the Fund's higher exposure to global equities as they outperformed fixed income during the reporting period.

Sun Life MFS Diversified Income Fund

During the reporting period, central banks around the world had to combat the strongest inflationary pressures in four decades, fueled by the global fiscal response to the pandemic, disrupted supply chains and the dislocations to energy markets stemming from the war in Ukraine. Interest rates rose substantially, but the effects of a tighter monetary policy may not have been fully experienced yet, given that monetary policy works with long and variable lags. Strains resulting from the abrupt tightening of monetary policy began to affect some parts of the economy, most acutely among small and regional US banks, which suffered from deposit flight as depositors sought higher yields on their savings. Also, activity in the U.S. housing sector has slowed due to higher mortgage rates. China's abandonment of its Zero-COVID policy ushered in a brief uptick in economic activity in the world's second-largest economy in early 2023, although its momentum soon stalled as the focus turned to the country's highly indebted property development sector. In developed markets, consumer demand for services remained stronger than the demand for goods.

Early on, policymakers found themselves in the difficult position of trying to restrain inflation without tipping economies into recession. Despite the challenging macroeconomic and geopolitical environment, central banks focused on controlling price pressures while also confronting increasing financial stability concerns. Central banks had to juggle achieving their inflation mandates while using macroprudential tools to keep banking systems liquid, a potentially difficult balancing act, and one that suggested that we may be nearing a peak in policy rates. As inflationary pressures eased toward the end of the period, financial conditions loosened in anticipation of easier monetary policy, boosting the market's appetite for risk. Rapid advancements in artificial intelligence were a focus for investors.

Normalizing supply chains, low levels of unemployment across developed markets and signs that inflation levels have peaked were supportive factors for the macroeconomic backdrop.

During the reporting period, security selection within the Global and Canadian Dividend Paying Equity segments detracted from performance in comparison to the Fund's blended benchmark. Amid the 2022 bear market, investors piled into dividend-paying stocks in hopes of having a buffer on their invested capital in the form of a dividend as the Federal Reserve began to aggressively hike interest rates. However, that trend hit a wall in 2023, with the safety-trade largely reversing as investors have chased mega-cap tech stocks higher. Conversely, this has been offset by strong performance of the Global Real Estate Investment Trusts (REITS) and Canadian Investment Grade Credit segments, which contributed to performance.

Recent Developments

The composition of the Fund's independent review committee ("IRC") changed during the period. André Fok Kam completed his term and Ann David was appointed effective July 1, 2023.

Global tensions and conflicts within some geographic regions, such as the ongoing military conflict in Ukraine, have continued to impact global markets and economies. In addition, there continues 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 MFS Investment Management Canada Limited ("MFS IMC"), an affiliate of the Manager, to act as a sub-advisor 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.

Sun Life MFS Diversified Income 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.

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 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. 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, 2023.

The Fund’s Net Asset Value per Security (\$) ⁽¹⁾

Sun Life MFS Diversified Income Fund - Series A

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Net asset value, beginning of period	14.78	15.35	12.81	13.79	11.92
Increase (decrease) from operations:					
Total revenue	0.68	0.63	0.54	0.52	0.54
Total expenses	(0.34)	(0.34)	(0.31)	(0.28)	(0.31)
Realized gains (losses) for the period	0.40	0.82	0.76	(0.70)	0.33
Unrealized gains (losses) for the period	0.23	(0.90)	1.68	(0.36)	1.72
Total increase (decrease) from operations⁽²⁾	0.97	0.21	2.67	(0.82)	2.28
Distributions:					
From income (excluding dividends)	(0.42)	(0.24)	-	-	-
From dividends	(0.05)	(0.13)	(0.21)	(0.24)	(0.24)
From capital gains	(0.14)	(0.29)	-	-	(0.15)
Return of capital	(0.02)	-	-	-	-
Total annual distributions⁽³⁾	(0.63)	(0.66)	(0.21)	(0.24)	(0.39)
Net asset value, end of period	15.06	14.78	15.35	12.81	13.79

Sun Life MFS Diversified Income Fund - Series D

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Net asset value, beginning of period	15.05	15.60	13.01	14.01	12.10
Increase (decrease) from operations:					
Total revenue	0.69	0.61	0.55	0.54	0.55
Total expenses	(0.28)	(0.28)	(0.25)	(0.23)	(0.25)
Realized gains (losses) for the period	0.43	0.84	0.76	(0.68)	0.33
Unrealized gains (losses) for the period	0.17	(0.31)	1.76	(0.49)	1.81
Total increase (decrease) from operations⁽²⁾	1.01	0.86	2.82	(0.86)	2.44
Distributions:					
From income (excluding dividends)	(0.70)	(0.26)	-	-	-
From dividends	(0.09)	(0.14)	(0.27)	(0.31)	(0.30)
From capital gains	-	(0.30)	-	-	(0.15)
Return of capital	(0.02)	-	-	-	-
Total annual distributions⁽³⁾	(0.81)	(0.70)	(0.27)	(0.31)	(0.45)
Net asset value, end of period	15.23	15.05	15.60	13.01	14.01

Sun Life MFS Diversified Income Fund

Sun Life MFS Diversified Income Fund - Series F

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Net asset value, beginning of period	15.05	15.60	13.01	14.04	12.12
Increase (decrease) from operations:					
Total revenue	0.69	0.65	0.56	0.52	0.55
Total expenses	(0.17)	(0.17)	(0.14)	(0.13)	(0.16)
Realized gains (losses) for the period	0.40	0.74	0.80	(0.76)	0.34
Unrealized gains (losses) for the period	0.33	(0.50)	1.72	0.05	1.81
Total increase (decrease) from operations⁽²⁾	1.25	0.72	2.94	(0.32)	2.54
Distributions:					
From income (excluding dividends)	(0.57)	(0.35)	-	-	-
From dividends	(0.07)	(0.19)	(0.38)	(0.40)	(0.38)
From capital gains	(0.15)	(0.29)	-	-	(0.15)
Return of capital	(0.02)	-	-	-	-
Total annual distributions⁽³⁾	(0.81)	(0.83)	(0.38)	(0.40)	(0.53)
Net asset value, end of period	15.35	15.05	15.60	13.01	14.04

Sun Life MFS Diversified Income Fund - Series I

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Net asset value, beginning of period	15.32	15.63	13.03	14.07	12.15
Increase (decrease) from operations:					
Total revenue	0.70	0.66	0.55	0.52	0.55
Total expenses	(0.04)	(0.05)	(0.02)	(0.03)	(0.03)
Realized gains (losses) for the period	0.48	0.59	0.78	(0.69)	0.36
Unrealized gains (losses) for the period	0.15	(0.04)	1.76	(0.57)	1.64
Total increase (decrease) from operations⁽²⁾	1.29	1.16	3.07	(0.77)	2.52
Distributions:					
From income (excluding dividends)	(0.64)	(0.28)	-	-	-
From dividends	(0.08)	(0.15)	(0.51)	(0.52)	(0.52)
From capital gains	-	(0.30)	-	-	(0.15)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.72)	(0.73)	(0.51)	(0.52)	(0.67)
Net asset value, end of period	15.86	15.32	15.63	13.03	14.07

Sun Life MFS Diversified Income Fund - Series O

	2023 (\$)	2022 (\$)	2021 (\$)	2020 (\$)	2019 (\$)
Net asset value, beginning of period	12.39	12.83	10.70	11.54	9.97
Increase (decrease) from operations:					
Total revenue	0.57	0.52	0.45	0.43	0.45
Total expenses	(0.05)	(0.05)	(0.03)	(0.04)	(0.04)
Realized gains (losses) for the period	0.33	0.74	0.63	(0.61)	0.26
Unrealized gains (losses) for the period	0.19	(0.93)	1.52	(0.01)	1.55
Total increase (decrease) from operations⁽²⁾	1.04	0.28	2.57	(0.23)	2.22
Distributions:					
From income (excluding dividends)	(0.69)	(0.33)	-	-	-
From dividends	(0.08)	(0.18)	(0.40)	(0.41)	(0.42)
From capital gains	-	(0.24)	-	-	(0.12)
Return of capital	(0.02)	-	-	-	-
Total annual distributions⁽³⁾	(0.79)	(0.75)	(0.40)	(0.41)	(0.54)
Net asset value, end of period	12.60	12.39	12.83	10.70	11.54

(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 MFS Diversified Income Fund - Series A

	2023	2022	2021	2020	2019
Total net asset value (\$000s) ⁽¹⁾	58,679	34,310	18,174	15,420	17,701
Number of securities outstanding (000s) ⁽¹⁾	3,898	2,321	1,184	1,204	1,283
Management expense ratio (%)	2.06	2.06	2.06	2.11	2.12
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.06	2.06	2.06	2.11	2.12
Trading expense ratio (%) ⁽³⁾	0.03	0.08	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	72.51	73.17	44.53	41.25	42.03
Net asset value per security (\$) ⁽¹⁾	15.06	14.78	15.35	12.81	13.79

Sun Life MFS Diversified Income Fund - Series D

	2023	2022	2021	2020	2019
Total net asset value (\$000s) ⁽¹⁾	586	592	1,260	1,156	1,481
Number of securities outstanding (000s) ⁽¹⁾	38	39	81	89	106
Management expense ratio (%)	1.63	1.62	1.63	1.63	1.63
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.63	1.62	1.63	1.63	1.63
Trading expense ratio (%) ⁽³⁾	0.03	0.08	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	72.51	73.17	44.53	41.25	42.03
Net asset value per security (\$) ⁽¹⁾	15.23	15.05	15.60	13.01	14.01

Sun Life MFS Diversified Income Fund

Sun Life MFS Diversified Income Fund - Series F

	2023	2022	2021	2020	2019
Total net asset value (\$000s) ⁽¹⁾	36,907	12,657	3,081	2,108	1,654
Number of securities outstanding (000s) ⁽¹⁾	2,405	841	197	162	118
Management expense ratio (%)	0.89	0.90	0.89	0.94	0.96
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.89	0.90	0.89	0.94	0.96
Trading expense ratio (%) ⁽³⁾	0.03	0.08	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	72.51	73.17	44.53	41.25	42.03
Net asset value per security (\$) ⁽¹⁾	15.35	15.05	15.60	13.01	14.04

Sun Life MFS Diversified Income Fund - Series I

	2023	2022	2021	2020	2019
Total net asset value (\$000s) ⁽¹⁾	101,155	160,351	32,779	24,756	29,993
Number of securities outstanding (000s) ⁽¹⁾	6,377	10,467	2,097	1,899	2,132
Management expense ratio (%)	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⁾	0.03	0.08	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	72.51	73.17	44.53	41.25	42.03
Net asset value per security (\$) ⁽¹⁾	15.86	15.32	15.63	13.03	14.07

Sun Life MFS Diversified Income Fund - Series O

	2023	2022	2021	2020	2019
Total net asset value (\$000s) ⁽¹⁾	8,285	3,909	3,106	2,612	2,248
Number of securities outstanding (000s) ⁽¹⁾	658	315	242	244	195
Management expense ratio (%)	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⁾	0.03	0.08	0.03	0.04	0.03
Portfolio turnover rate (%) ⁽⁴⁾	72.51	73.17	44.53	41.25	42.03
Net asset value per security (\$) ⁽¹⁾	12.60	12.39	12.83	10.70	11.54

- ⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
- ⁽²⁾ Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) including the Fund's allocated percentage of Fund-on-Funds' expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period.
- ⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.
- ⁽⁴⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

Management Fees

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

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

	Maximum Annual Management Fee Rate (%)	As a Percentage of Management Fees	
		Dealer Compensation (%) ⁽¹⁾	General Administration, Investment Advice and Profit (%)
Series A Securities	1.65	55	45
Series D Securities	1.25	18	82
Series F Securities	0.65	-	100
Series I Securities ⁽⁴⁾	-	-	100
Series O Securities ⁽¹⁾	0.65	-	100

- ⁽¹⁾ Includes sales and trailing commissions.
- ⁽¹⁾ Series O management fees are not paid by the Fund. Series O investors pay management fees directly to the Manager.
- ⁽⁴⁾ Series I management fees are not paid by the Fund. Series I investors negotiate management fees and pay directly to the Manager.

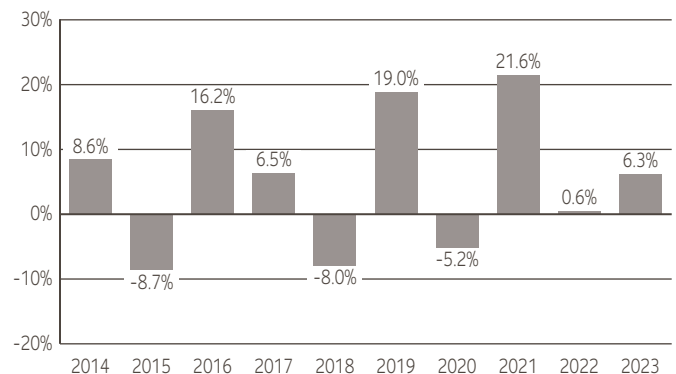
Past Performance

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

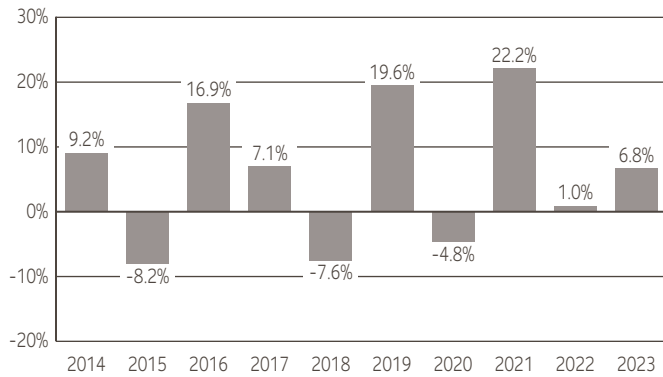
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

Series A Securities – Annual return for the period ended December 31, 2023

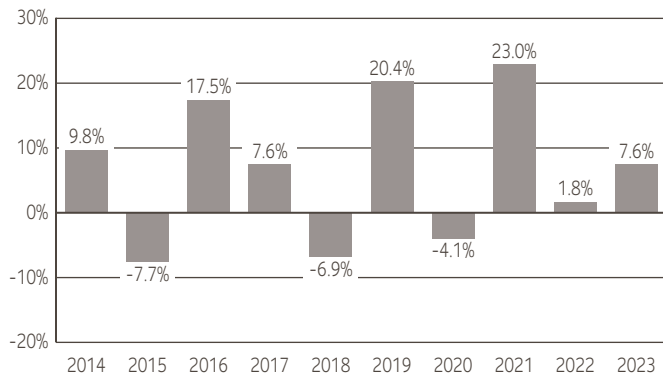


Sun Life MFS Diversified Income Fund

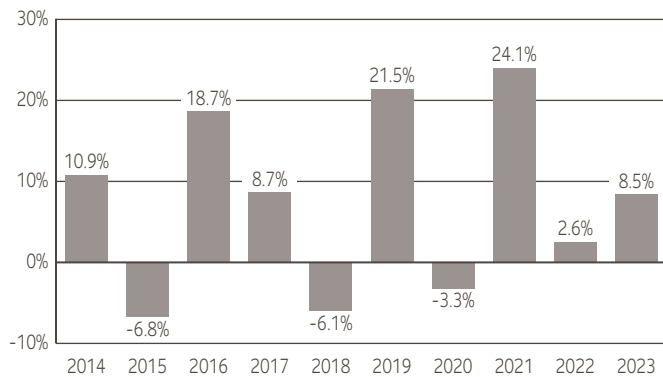
Series D Securities – Annual return for the period ended December 31, 2023



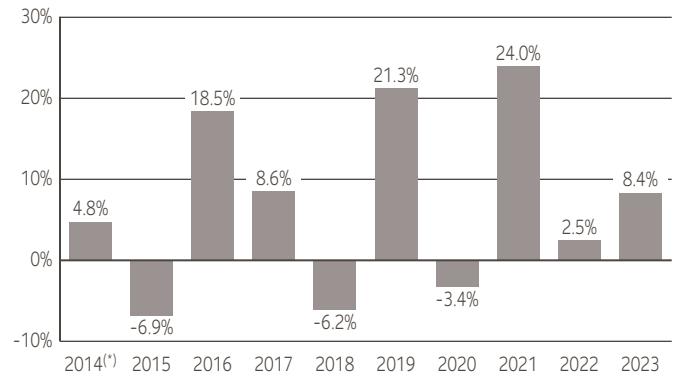
Series F Securities – Annual return for the period ended December 31, 2023



Series I Securities – Annual return for the period ended December 31, 2023



Series O Securities – Annual return for the period ended December 31, 2023



(*) 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, D, 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:

- 30.0% MSCI ACWI High Dividend Yield Index C\$
- 10.0% S&P/TSX Capped Composite Index
- 15.0% FTSE EPRA/NAREIT Developed Index C\$
- 17.5% FTSE Canada All Corporate Bond Index
- 17.5% Bloomberg U.S. High Yield 2% Issuer Capped Index C\$
- 10.0% JPMorgan EMBI Global Diversified Index C\$

The Series A securities outperformed the benchmark over the past five years, and over the past three years, but underperformed over the past ten 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 MFS Diversified Income Fund

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⁾⁽¹⁾
Series A	6.3%	9.2%	8.0%	5.2%	-
Benchmark	8.4%	3.4%	5.1%	6.4%	-
Broad-based index 1	20.5%	8.5%	12.0%	11.0%	-
Broad-based index 2	2.9%	(4.4)%	(1.0)%	2.6%	-
Series D	6.8%	9.6%	8.5%	5.7%	-
Benchmark	8.4%	3.4%	5.1%	6.4%	-
Broad-based index 1	20.5%	8.5%	12.0%	11.0%	-
Broad-based index 2	2.9%	(4.4)%	(1.0)%	2.6%	-
Series F	7.6%	10.5%	9.2%	6.4%	-
Benchmark	8.4%	3.4%	5.1%	6.4%	-
Broad-based index 1	20.5%	8.5%	12.0%	11.0%	-
Broad-based index 2	2.9%	(4.4)%	(1.0)%	2.6%	-
Series I	8.5%	11.4%	10.2%	7.4%	-
Benchmark	8.4%	3.4%	5.1%	6.4%	-
Broad-based index 1	20.5%	8.5%	12.0%	11.0%	-
Broad-based index 2	2.9%	(4.4)%	(1.0)%	2.6%	-
Series O	8.4%	11.3%	10.1%	-	6.8%
Benchmark	8.4%	3.4%	5.1%	-	6.0%
Broad-based index 1	20.5%	8.5%	12.0%	-	10.7%
Broad-based index 2	2.9%	(4.4)%	(1.0)%	-	2.0%

(1) The performance since inceptions are not provided for series that have been in existence for more than 10 years.

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

INDEX DESCRIPTION(S)

The MSCI ACWI High Dividend Yield Index C\$ is based on MSCI ACWI, its parent index, and includes large and mid cap stocks across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.

The S&P/TSX Capped Composite Index imposes capped weights of 10% on all of the constituents included in the S&P/TSX Composite Index. The S&P/TSX Composite Index covers approximately 95% of the Canadian equities market, and has been the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies since 1977.

The FTSE EPRA/NAREIT Developed Index C\$ is designed to track the performance of listed real estate companies and REITs worldwide.

The FTSE Canada All Corporate Bond Index is a market capitalization-weighted index representing the performance of Canadian large, mid and small cap stock in Canada and denominated in Canadian dollars.

The Bloomberg U.S. High Yield 2% Issuer Capped Index C\$ is a rules-based, market-value-weighted (provided the total allocation to an individual issuer does not exceed 2%) index engineered to measure publicly issued non-investment grade USD fixed-rate, taxable and corporate bonds. To be included in the index, a security must have a minimum par amount of \$250 million and have a minimum maturity of 1 year at rebalancing. Emerging market debt is excluded.

The JPMorgan EMBI Global Diversified Index C\$ is a uniquely weighted, total-return index tracking US Dollar emerging market fixed and floating-rate debt instruments issued by sovereign and quasi-sovereign entities. The diversified index limits the exposure of some of the larger countries.

Summary of Investment Portfolio*

as at December 31, 2023

Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Cash and Cash Equivalents	3.1
2 Manulife Financial Corp.	1.3
3 Prologis Inc.	1.2
4 Rio Tinto PLC	0.9
5 Roche Holding AG	0.9
6 Phillips 66	0.8
7 National Bank of Canada, 2.24%, Nov 04, 2026	0.8
8 Abbvie Inc.	0.8
9 Equinix Inc.	0.8
10 Kimberly-Clark Corp.	0.8
11 DBS Group Holdings Ltd.	0.7
12 Royal Bank of Canada	0.7
13 General Mills Inc.	0.7
14 Hydro One Inc., 2.23%, Sep 17, 2031	0.7
15 CU Inc., 3.96%, Jul 27, 2045	0.7
16 KDDI Corp.	0.6
17 The Toronto-Dominion Bank	0.6
18 Suncor Energy Inc.	0.6
19 General Dynamics Corp.	0.6
20 Omnicom Group Inc.	0.6
21 Johnson & Johnson	0.6
22 Canadian Government Bond, 1.75%, Dec 01, 2053	0.6
23 Edison International	0.6
24 Comcast Corp., Class A	0.5
25 The Bank of New York Mellon Corp.	0.5
	20.7
Total Net Asset Value (000s)	\$ 205,612

Sun Life MFS Diversified Income Fund

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Canadian Corporate Bond	22.0
Real Estate	12.1
U.S. Corporate Bond	10.9
Financials	8.4
International Corporate Bond	6.7
International Government Bond	5.6
Health Care	5.1
Consumer Staples	4.5
Energy	4.4
Cash and Cash Equivalents	3.1
Materials	3.1
Information Technology	3.0
Industrials	2.9
Communication Services	2.7
Consumer Discretionary	2.0
Utilities	1.6
U.S. Government Bond	1.0
Canadian Federal Government Bond	1.0
Derivatives - Long	-
Derivatives - Short	-
Other Assets less Liabilities	(0.1)
	100.0

Asset Allocation

	Percentage of Net Asset Value of the Fund (%)
Canadian Fixed Income	22.9
U.S. Equities	22.0
International Equities	17.2
International Fixed Income	12.4
U.S. Fixed Income	11.9
Canadian Equities	10.6
Cash and Cash Equivalents	3.1
Derivatives - Long	-
Derivatives - Short	-
Other Assets less Liabilities	(0.1)
	100.0

(*) All information is as at December 31, 2023. 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).

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.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Sun Life MFS Diversified Income Fund

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SLGI Asset Management Inc. is the investment manager of the Sun Life Mutual Funds, Sun Life Granite Managed Solutions and Sun Life Private Investment Pools.



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