
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life MFS International Value Fund



Sun Life MFS International Value 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 MFS International Value Fund (the "Fund") are to seek capital appreciation by investing primarily in equity securities of issuers outside of Canada and the U. S. that are considered to be undervalued compared to their perceived worth.

The Fund's sub-advisor is MFS Investment Management Canada Limited ("MFSIM") and the sub-advisor to MFSIM is MFS Institutional Advisors, Inc. ("MFS"). MFS uses a bottom-up investment approach in selecting investments primarily based on 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. MFS also considers factors such as earnings, cash flows, competitive position and management ability of issuers. The Fund may also invest in emerging markets.

Risk

There were no changes in the Fund's investment objectives or strategies during the period which materially impacted the overall level of risk in the Fund. The risks associated with investing in the Fund remain as outlined in the Fund's Simplified Prospectus.

Results of Operations

During the period, the net asset value of the Fund increased from \$1.5 billion to \$1.9 billion due to positive net sales, as well as positive performance.

During the period, the Fund returned 17.2% for Series A units, this result surpassed the Fund's benchmark, which returned 15.8%. 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.

Stock selection within the Information Technology, Industrials and Materials sectors contributed positively to performance. Within the Information Technology sector, the Fund's holdings of semiconductor manufacturer Taiwan Semiconductor Manufacturing Company, and integrated circuits and electronic devices developer Cadence Design Systems were top

contributors. Taiwan Semiconductor Manufacturing Company was a top contributor within the sector. The company reported strong results on revenues and earnings as demand for chips increased driven by the rise of 5G devices. Cadence Design Systems shares soared as the company exceeded analysts' earnings expectations in all three reported quarters of 2019. Other contributors included simulation software developer Ansys, system services provider OBIC and business system services company Nomura Research Institute.

Within the Industrials sector, the Fund's overweight position in shares of electrical distribution equipment manufacturer Schneider Electric contributed positively to performance. Schneider Electric shares gained significantly due to its ability to increase margin of its energy management business unit. Other contributors within the sector included wiring devices and cable systems manufacturer Legrand.

Within the Materials sector, the Fund's holding of flavours and fragrances company Givaudan contributed positively to performance. Elsewhere, the Fund's holding of global food company Nestle and the timing of the Fund's ownership in shares of global energy and petrochemicals company Royal Dutch Shell contributed positively to performance.

Stock selection within the Real Estate sector was a primary detractor to performance. Here, The Fund's overweight holding of underperforming real estate company Deutsche Wohnen weighed on performance held back relative performance. Deutsche Wohnen shares were hit by the Berlin city government's approval of a plan to freeze rents in the German capital for five years.

Elsewhere, the Fund's overweight position in shares of chemical products company Henkel was a detractor. Henkel issued a weak margin outlook and faced a significant decline in demand in key industries such as the automotive industry.

The portfolio's cash and/or cash equivalents position during the period was also a detractor.

During the reporting period, the Fund's currency exposure, due to the holdings of securities denominated in foreign currencies, detracted from performance.

Sun Life MFS International Value Fund

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.

Fading fears of a near-term global recession, the announcement of a partial trade deal between the United States and China and the decline in uncertainty over Brexit helped bolster market sentiment late in the period. Changes in market sentiment, largely driven by uncertainty over the outcome of trade negotiations between the U.S. and China, had contributed to periodic bouts of volatility during the reporting period. The global economy decelerated, led by weakness in China and Europe, although the pace of the slowdown moderated late in the period amid nascent signs of stabilization in the manufacturing sector.

The deteriorating global growth backdrop, along with declining inflationary pressures, prompted the U.S. Federal Reserve to adopt a more accommodating posture beginning in early 2019, resulting in the first interest rate cut in over a decade at the end of July, followed by additional cuts in September and October. The Fed's actions led to a sharp decline in long-term interest rates during the period's second half, causing the inversion of portions of the U.S. Treasury yield curve for a time. Amid an improvement in risk sentiment in Q4 2019 and indications of a bottoming in growth and potential upturn in activity, the Fed indicated in October that further rate cuts were unlikely unless the outlook for the economy materially worsened.

Globally, central banks have tilted more accommodating as well, with the European Central Bank unveiling a package of easing measures, which included reducing overnight rates further, restarting its bond-buying program and lengthening the term of cheap loans to banks to three years from two. The central banks of India and Australia are among those that have cut rates several times in recent months, with China cutting rates only marginally as it keeps trying to deleverage its economy.

Market volatility improved in 2019 as the Fed became more accommodating. Despite the trade friction between the U.S. and China over much of the year, emerging market debts benefited from relatively cheap valuations at the beginning of the period and easier global monetary conditions.

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 MFS Institutional Advisors, Inc. ("MFS"), an affiliate, to act as a sub-advisor for the Fund.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc., which also has an indirect majority ownership interest in MFS.

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.

Sun Life MFS International Value Fund

The Fund also pays certain operating expenses directly (the "Fund Costs"). Fund Costs include: borrowing costs incurred by the Fund from time to time; costs in connection with portfolio transactions; fees and expenses payable to or in connection with the Fund's Independent Review Committee ("IRC"); taxes payable by the Fund; and the costs of complying with any new regulatory or legal requirement imposed on the Fund. The Fund allocates Fund Costs proportionately among each series of the Fund to which they apply. The Fund Costs that are specific to a series of securities are allocated to that series. These amounts are paid out of the assets attributed to each series of securities of the Fund, which reduces the return you may receive.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the previous five years or for the periods since inception to December 31, 2019.

The Fund's Net Asset Value per Unit (\$) ⁽¹⁾

Sun Life MFS International Value Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	20.00	21.14	18.22	18.64	15.39
Increase (decrease) from operations:					
Total revenue	0.45	0.46	0.44	0.45	0.42
Total expenses	(0.69)	(0.71)	(0.72)	(0.67)	(0.74)
Realized gains (losses) for the period	1.31	0.95	0.78	0.56	1.11
Unrealized gains (losses) for the period	2.33	(1.53)	2.42	(0.58)	2.62
Total increase (decrease) from operations⁽²⁾	3.40	(0.83)	2.92	(0.24)	3.41
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	(0.03)	-	-	(0.01)
From capital gains	(0.16)	(0.38)	(0.07)	(0.01)	(0.48)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.16)	(0.41)	(0.07)	(0.01)	(0.49)
Net asset value, end of period	23.29	20.00	21.14	18.22	18.64

Sun Life MFS International Value Fund - Series T5

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	21.79	24.08	21.67	23.36	20.09
Increase (decrease) from operations:					
Total revenue	0.47	0.50	0.51	0.55	0.50
Total expenses	(0.74)	(0.79)	(0.84)	(0.81)	(0.96)
Realized gains (losses) for the period	1.38	1.07	0.91	0.69	1.35
Unrealized gains (losses) for the period	2.45	(1.79)	2.58	(0.84)	3.07
Total increase (decrease) from operations⁽²⁾	3.56	(1.01)	3.16	(0.41)	3.96
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.79)	(0.93)	-	(0.01)	(0.19)
From capital gains	(0.16)	(0.42)	-	-	(0.60)
Return of capital	(0.21)	(0.17)	(1.08)	(1.15)	(0.73)
Total annual distributions⁽³⁾	(1.16)	(1.52)	(1.08)	(1.16)	(1.52)
Net asset value, end of period	24.30	21.79	24.08	21.67	23.36

Sun Life MFS International Value Fund - Series T8

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	17.72	20.15	18.67	20.78	18.33
Increase (decrease) from operations:					
Total revenue	0.40	0.44	0.40	0.45	0.43
Total expenses	(0.60)	(0.65)	(0.71)	(0.71)	(0.86)
Realized gains (losses) for the period	1.17	0.87	0.81	0.65	1.24
Unrealized gains (losses) for the period	2.05	(1.20)	2.60	(0.78)	2.73
Total increase (decrease) from operations⁽²⁾	3.02	(0.54)	3.10	(0.39)	3.54
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(1.02)	(1.24)	-	(0.02)	(0.28)
From capital gains	(0.13)	(0.34)	-	-	(0.53)
Return of capital	(0.28)	(0.23)	(1.49)	(1.65)	(1.06)
Total annual distributions⁽³⁾	(1.43)	(1.81)	(1.49)	(1.67)	(1.87)
Net asset value, end of period	19.25	17.72	20.15	18.67	20.78

Sun Life MFS International Value Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	20.98	22.07	18.95	19.32	15.94
Increase (decrease) from operations:					
Total revenue	0.46	0.48	0.45	0.46	0.43
Total expenses	(0.38)	(0.39)	(0.41)	(0.38)	(0.43)
Realized gains (losses) for the period	1.36	0.99	0.85	0.59	1.15
Unrealized gains (losses) for the period	2.38	(1.73)	2.26	(0.74)	2.63
Total increase (decrease) from operations⁽²⁾	3.82	(0.65)	3.15	(0.07)	3.78
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.11)	(0.20)	(0.16)	(0.15)	(0.20)
From capital gains	(0.16)	(0.40)	(0.07)	(0.01)	(0.50)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.27)	(0.60)	(0.23)	(0.16)	(0.70)
Net asset value, end of period	24.60	20.98	22.07	18.95	19.32

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Sun Life MFS International Value Fund - Series F5

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	14.15	15.00
Increase (decrease) from operations:		
Total revenue	0.23	0.24
Total expenses	(0.25)	(0.23)
Realized gains (losses) for the period	0.74	0.70
Unrealized gains (losses) for the period	1.64	(1.56)
Total increase (decrease) from operations⁽²⁾	2.36	(0.85)
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.51)	(0.63)
From capital gains	(0.11)	(0.27)
Return of capital	(0.14)	-
Total annual distributions⁽³⁾	(0.76)	(0.90)
Net asset value, end of period	15.98	14.15

Sun Life MFS International Value Fund - Series F8

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	13.80	15.00
Increase (decrease) from operations:		
Total revenue	0.31	0.36
Total expenses	(0.23)	(0.23)
Realized gains (losses) for the period	0.91	0.81
Unrealized gains (losses) for the period	1.61	(0.87)
Total increase (decrease) from operations⁽²⁾	2.60	0.07
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.79)	(1.00)
From capital gains	(0.10)	(0.26)
Return of capital	(0.22)	-
Total annual distributions⁽³⁾	(1.11)	(1.26)
Net asset value, end of period	15.19	13.80

Sun Life MFS International Value Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	22.34	23.38	20.00	20.34	16.69
Increase (decrease) from operations:					
Total revenue	0.50	0.55	0.50	0.49	0.47
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	1.54	1.05	0.85	0.64	1.23
Unrealized gains (losses) for the period	2.95	(1.53)	2.43	(1.12)	2.94
Total increase (decrease) from operations⁽²⁾	4.98	0.06	3.77	-	4.63
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.31)	(0.39)	(0.39)	(0.37)	(0.37)
From capital gains	(0.18)	(0.43)	(0.08)	(0.01)	(0.53)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.49)	(0.82)	(0.47)	(0.38)	(0.90)
Net asset value, end of period	26.33	22.34	23.38	20.00	20.34

Sun Life MFS International Value Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	13.75	14.41	12.33	12.54	10.30
Increase (decrease) from operations:					
Total revenue	0.32	0.32	0.31	0.30	0.24
Total expenses	(0.03)	(0.03)	(0.04)	(0.04)	(0.05)
Realized gains (losses) for the period	0.92	0.64	0.53	0.37	0.69
Unrealized gains (losses) for the period	1.53	(1.06)	1.55	(0.39)	1.89
Total increase (decrease) from operations⁽²⁾	2.74	(0.13)	2.35	0.24	2.77
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.17)	(0.24)	(0.21)	(0.20)	(0.21)
From capital gains	(0.11)	(0.27)	(0.05)	(0.01)	(0.33)
Return of capital	-	-	-	-	-
Total annual distributions⁽³⁾	(0.28)	(0.51)	(0.26)	(0.21)	(0.54)
Net asset value, end of period	16.20	13.75	14.41	12.33	12.54

⁽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 units of the Fund, or both.

Ratios and Supplemental Data

Sun Life MFS International Value Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	409,905,787	311,520,055	254,844,245	178,948,419	138,777,195
Number of units outstanding ⁽¹⁾	17,602,016	15,572,699	12,054,856	9,820,563	7,446,618
Management expense ratio (%) ⁽²⁾	2.45	2.45	2.46	2.45	2.45
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.45	2.45	2.46	2.45	2.45
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	23.29	20.00	21.14	18.22	18.64

Sun Life MFS International Value Fund - Series T5

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	7,522,935	5,550,884	3,966,767	2,940,207	2,338,904
Number of units outstanding ⁽¹⁾	309,545	254,769	164,767	135,663	100,143
Management expense ratio (%) ⁽²⁾	2.47	2.45	2.47	2.45	2.50
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.47	2.45	2.47	2.45	2.50
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	24.30	21.79	24.08	21.67	23.36

Sun Life MFS International Value Fund - Series T8

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	2,740,649	2,157,504	2,123,662	1,404,002	889,679
Number of units outstanding ⁽¹⁾	142,375	121,752	105,387	75,183	42,815
Management expense ratio (%) ⁽²⁾	2.48	2.43	2.47	2.46	2.50
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.48	2.43	2.47	2.46	2.50
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	19.25	17.72	20.15	18.67	20.78

Sun Life MFS International Value Fund

Sun Life MFS International Value Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	610,227,396	385,750,609	286,885,159	147,040,594	100,513,498
Number of units outstanding ⁽¹⁾	24,804,666	18,389,513	13,001,037	7,761,073	5,201,709
Management expense ratio (%) ⁽²⁾	1.28	1.28	1.34	1.35	1.36
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.28	1.28	1.34	1.35	1.36
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	24.60	20.98	22.07	18.95	19.32

Sun Life MFS International Value Fund - Series F5

	2019	2018
Total net asset value (\$) ⁽¹⁾	11,742,682	1,367,008
Number of units outstanding ⁽¹⁾	734,801	96,607
Management expense ratio (%) ⁽²⁾	1.26	1.28
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.26	1.28
Trading expense ratio (%) ⁽³⁾	0.08	0.06
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68
Net asset value per unit (\$) ⁽¹⁾	15.98	14.15

Sun Life MFS International Value Fund - Series F8

	2019	2018
Total net asset value (\$) ⁽¹⁾	719,355	179,310
Number of units outstanding ⁽¹⁾	47,351	12,992
Management expense ratio (%) ⁽²⁾	1.22	1.27
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.22	1.27
Trading expense ratio (%) ⁽³⁾	0.08	0.06
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68
Net asset value per unit (\$) ⁽¹⁾	15.19	13.80

Sun Life MFS International Value Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	879,694,536	757,532,874	912,821,542	669,928,030	585,121,271
Number of units outstanding ⁽¹⁾	33,410,482	33,908,381	39,040,905	33,497,564	28,766,075
Management expense ratio (%) ⁽²⁾	0.03	0.03	0.03	0.03	0.03
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.03	0.03	0.03	0.03	0.03
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	26.33	22.34	23.38	20.00	20.34

Sun Life MFS International Value Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	15,260,373	14,014,146	14,714,342	12,259,877	7,549,214
Number of units outstanding ⁽¹⁾	941,899	1,019,257	1,021,129	994,272	601,851
Management expense ratio (%) ⁽²⁾	0.17	0.17	0.22	0.22	0.22
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.17	0.17	0.22	0.22	0.22
Trading expense ratio (%) ⁽³⁾	0.08	0.06	0.08	0.10	0.10
Portfolio turnover rate (%) ⁽⁴⁾	37.69	29.68	23.01	27.87	29.23
Net asset value per unit (\$) ⁽¹⁾	16.20	13.75	14.41	12.33	12.54

⁽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 (%) ^(*)	General Administration, Investment Advice and Profit (%)
Series A Units	2.00	56	44
Series T5 Units	2.00	59	41
Series T8 Units	2.00	42	58
Series F Units	1.00	–	100
Series F5 Units	1.00	–	100
Series F8 Units	1.00	–	100
Series I Units ^(†)	–	–	–
Series O Units ^(‡)	1.00	–	–

^(*) Includes sales and trailing commissions.

^(†) Series O management fees are not paid by the Fund. Series O investors pay management fees directly to the manager.

^(‡) Series I management fees are not paid by the Fund. Series I investors negotiate management fees and pay directly to the manager.

Sun Life MFS International Value Fund

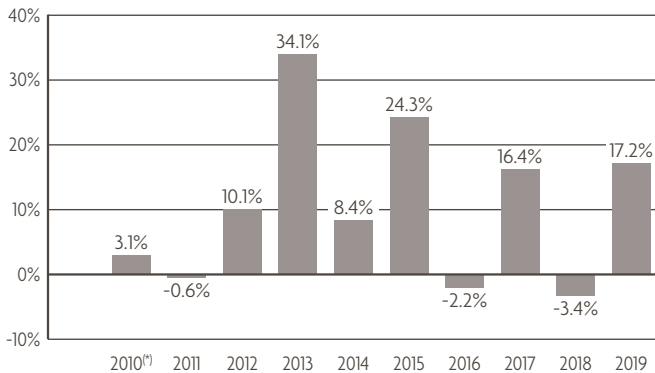
Past Performance

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

Year-by-Year Returns

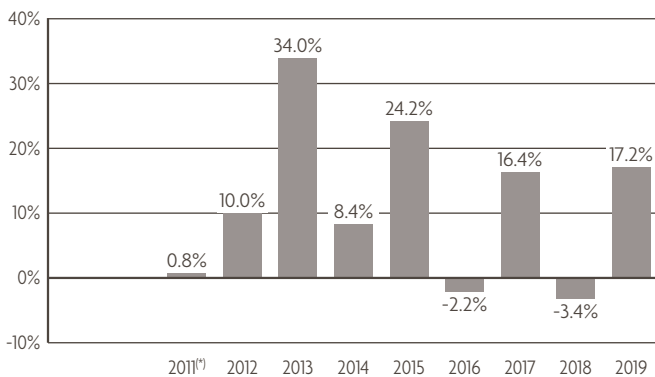
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

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



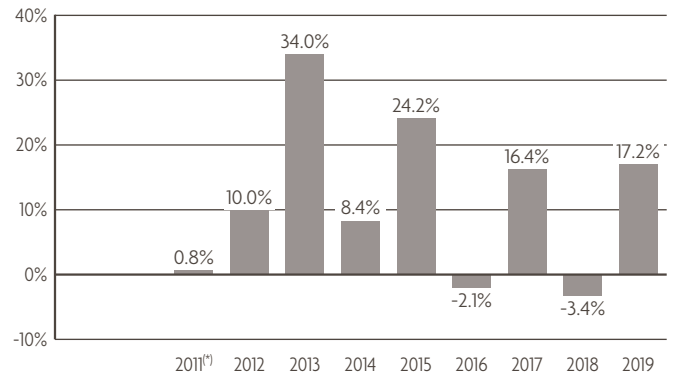
^(*) for the period of October 1, 2010 to December 31, 2010.

Series T5 Units – Annual return for the period ended December 31, 2019



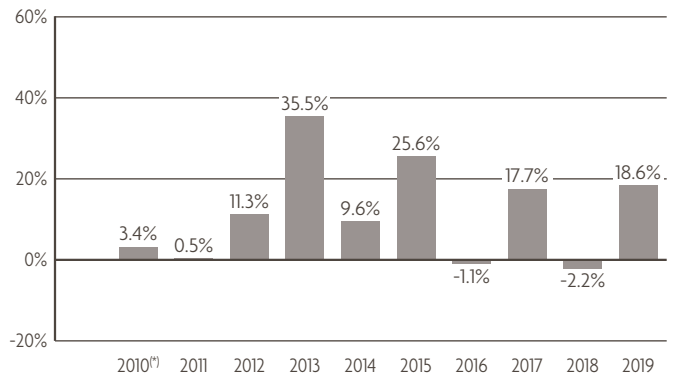
^(*) for the period of September 1, 2011 to December 31, 2011.

Series T8 Units – Annual return for the period ended December 31, 2019



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

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



^(*) for the period of October 1, 2010 to December 31, 2010.

Series F5 Units – Annual return for the period ended December 31, 2019



^(*) for the period of February 9, 2018 to December 31, 2018.

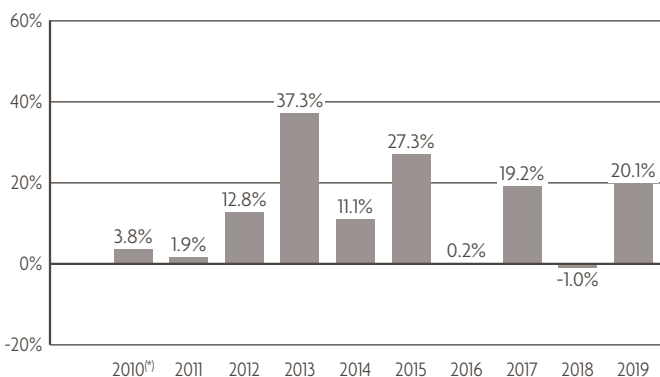
Sun Life MFS International Value Fund

Series F8 Units – Annual return for the period ended December 31, 2019



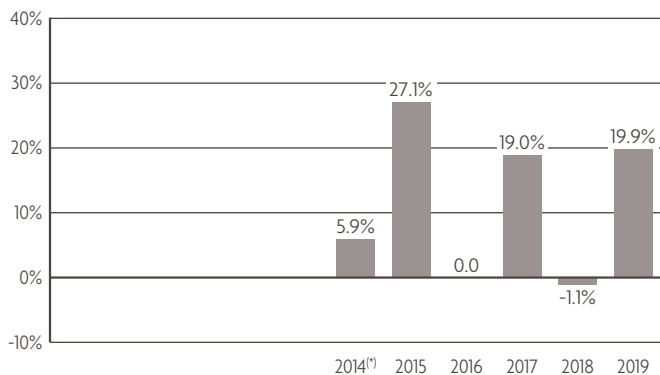
⁽¹⁾ for the period of February 9, 2018 to December 31, 2018.

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



⁽¹⁾ for the period of October 1, 2010 to December 31, 2010.

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, T5, T8, F, F5, F8, I and O securities of the Fund with the following benchmark and broad-based index, if applicable:

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

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

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾
Series A	17.2%	9.6%	9.9%	N/A	11.0%
Benchmark	15.8%	8.3%	8.1%	7.8%	8.6%
Series T5	17.2%	9.6%	9.9%	N/A	12.0%
Series T8	17.2%	9.6%	9.9%	N/A	12.1%
Benchmark	15.8%	8.3%	8.1%	7.8%	10.1%
Series F	18.6%	10.9%	11.1%	N/A	12.2%
Benchmark	15.8%	8.3%	8.1%	7.8%	8.6%
Series F5	18.6%	N/A	N/A	N/A	9.5%
Series F8	18.6%	N/A	N/A	N/A	9.5%
Benchmark	15.8%	8.3%	8.1%	7.8%	5.0%
Series I	20.1%	12.3%	12.6%	N/A	13.7%
Benchmark	15.8%	8.3%	8.1%	7.8%	8.6%
Series O	19.9%	12.1%	12.4%	N/A	11.8%
Benchmark	15.8%	8.3%	8.1%	7.8%	6.8%

⁽¹⁾ The performance start date for Series A units was October 1, 2010.

⁽²⁾ The performance start date for Series T5 units was September 1, 2011.

⁽³⁾ The performance start date for Series T8 units was September 1, 2011.

⁽⁴⁾ The performance start date for Series F units was October 1, 2010.

⁽⁵⁾ The performance start date for Series F5 units was February 9, 2018.

⁽⁶⁾ The performance start date for Series F8 units was February 9, 2018.

⁽⁷⁾ The performance start date for Series I units was October 1, 2010.

⁽⁸⁾ The performance start date for Series O units was April 1, 2014.

INDEX DESCRIPTION(S)

The MSCI EAFE Index 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.

Sun Life MFS International Value Fund

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Nestle SA	5.6
2 Givaudan SA	3.9
3 Pernod Ricard SA	2.8
4 Taiwan Semiconductor Manufacturing Co., Ltd.	2.8
5 Diageo PLC	2.7
6 Henkel AG & Co., KGaA, Preferred	2.5
7 Schneider Electric SE	2.5
8 Amadeus IT Holding SA	2.4
9 Cadence Design Systems Inc.	2.4
10 Reckitt Benckiser Group PLC	2.3
11 Kao Corp.	2.3
12 L'Oreal SA	2.2
13 Danone SA	2.1
14 Legrand SA	1.9
15 Heineken NV	1.7
16 Deutsche Wohnen AG	1.6
17 SGS SA	1.6
18 Compass Group PLC	1.6
19 Colgate-Palmolive Co.	1.5
20 Analog Devices Inc.	1.5
21 ANSYS Inc.	1.5
22 Spirax-Sarco Engineering PLC	1.4
23 Symrise AG	1.4
24 Santen Pharmaceutical Co., Ltd.	1.3
25 Kobayashi Pharmaceutical Co., Ltd.	1.3
	54.8
Total Net Asset Value ('000's)	\$ 1,937,814

Sector Allocation

	Percentage of Net Asset Value of the Fund %
Consumer Staples	31.8
Information Technology	21.9
Industrials	19.0
Materials	7.6
Health Care	4.5
Real Estate	4.0
Financials	3.9
Cash and Cash Equivalents**	3.8
Consumer Discretionary	3.2
Energy	0.2
Derivatives - Short	0.1
	100.0

Geographic Allocation

	Percentage of Net Asset Value of the Fund %
Europe (excluding United Kingdom)	47.9
Japan	20.8
United Kingdom	12.4
United States	8.6
Taiwan	2.8
Other	5.3
Korea	1.1
Bermuda	0.6
Israel	0.4
Australia	0.1
	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.

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 MFS International Value Fund

You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-344-1434** or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sunlifeglobalinvestments.com or www.sedar.com.

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