
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life MFS U.S. Equity Fund



Sun Life MFS U.S. Equity 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 U.S. Equity Fund (the "Fund") are to aim for long-term capital growth by investing primarily in companies domiciled in the United States or whose primary stock exchange listing is in the United States.

The Fund's Sub-Advisor is MFS Investment Management Canada Limited ("MFSIM") and the Sub-Advisor to MFSIM is MFS Institutional Advisors, Inc. ("MFS"). In pursuing the Fund's investment objective, MFSIM may invest in companies of any size. The Fund seeks to invest in equity securities of companies domiciled in the United States, or whose primary listing is in the United States. The Fund may also invest up to 20% of the Fund's assets in non-U.S. securities. Using a bottom-up investment approach – investments are selected 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. Other factors are considered such as earnings, cash flows, competitive position and management ability of issuers.

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 \$508.7 million to \$613.7 million due to positive performance, partially offset by net redemptions.

During the period, the Fund returned 23.0% for Series A units, this result lagged the Fund's benchmark, which returned 24.8%. 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 in the Information Technology sector detracted performance. The Fund's underweight holdings of computer and personal electronics maker Apple and software giant Microsoft hurt relative results from benchmark, S&P 500 Index. Meanwhile, overweighting shares of information technology company DXC Technology and custom IT consulting, technology services provider Cognizant Technology Solutions and commercial products manufacturer Newell Brands detracted performance.

In other sectors, the Fund's overweight positions in shares of energy exploration and production company EOG Resources and biotechnology company Biogen detracted performance. Other detractors included a reservoir management services provider Core Laboratories, electronic brokerage firm TD Ameritrade and alcoholic beverage producer Pernod Ricard.

The portfolio's cash and/or cash equivalents position during the period was also a detractor. As the market gained significantly, holding cash limited the Fund's ability to participate in the market appreciation.

Stock selection in the Health Care, Financials and Consumer Discretionary sectors contributed to performance. Within the Health Care sector, the overweight holding of healthcare equipment manufacturer Danaher boosted performance. Share prices rose following Danaher's acquisition of GE Pharma, which was viewed by the market as a value-added acquisition. Within the Financials sector, the Fund's overweight position in global alternative asset manager Blackstone Group contributed to performance. Within the Consumer Discretionary sector, the Fund's position in luxury goods company LVMH contributed to performance as share prices rose significantly driven by robust sales from China.

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

Sun Life MFS U.S. Equity Fund

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 Investment Management Canada Limited ("MFSIM"), 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 MFSIM.

Fund Administrative Expenses

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

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

Sun Life MFS U.S. Equity Fund

Financial Highlights

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

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

Sun Life MFS U.S. Equity Fund - Series A

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|--------------|--------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Net asset value, beginning of period | 69.64 | 73.15 | 65.23 | 63.30 | 53.64 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.34 | 1.30 | 1.17 | 1.01 | 0.95 |
| Total expenses | (2.03) | (1.97) | (1.91) | (1.70) | (1.64) |
| Realized gains (losses) for the period | 5.30 | 8.35 | 9.11 | 4.39 | 5.23 |
| Unrealized gains (losses) for the period | 11.45 | (7.05) | 0.12 | (1.00) | 4.58 |
| Total increase (decrease) from operations⁽²⁾ | 16.06 | 0.63 | 8.49 | 2.70 | 9.12 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | - | - | - | - | - |
| From capital gains | (1.42) | (4.23) | (0.72) | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (1.42) | (4.23) | (0.72) | - | - |
| Net asset value, end of period | 84.26 | 69.64 | 73.15 | 65.23 | 63.30 |

Sun Life MFS U.S. Equity Fund - Series D

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|--------------|---------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Net asset value, beginning of period | 73.97 | 77.21 | 68.32 | 65.80 | 55.32 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.42 | 1.37 | 1.23 | 1.05 | 0.99 |
| Total expenses | (1.57) | (1.52) | (1.38) | (1.22) | (1.17) |
| Realized gains (losses) for the period | 5.57 | 9.34 | 9.74 | 4.43 | 5.49 |
| Unrealized gains (losses) for the period | 12.43 | (7.17) | 0.14 | (2.09) | 5.28 |
| Total increase (decrease) from operations⁽²⁾ | 17.85 | 2.02 | 9.73 | 2.17 | 10.59 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | (0.02) |
| From dividends | - | - | - | - | - |
| From capital gains | (1.53) | (4.50) | (0.77) | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (1.53) | (4.50) | (0.77) | - | (0.02) |
| Net asset value, end of period | 90.14 | 73.97 | 77.21 | 68.32 | 65.80 |

Sun Life MFS U.S. Equity Fund - Series F

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|--------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Net asset value, beginning of period | 73.56 | 76.84 | 67.93 | 65.40 | 54.83 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.42 | 1.38 | 1.22 | 1.05 | 0.97 |
| Total expenses | (1.15) | (1.11) | (1.17) | (1.04) | (1.00) |
| Realized gains (losses) for the period | 5.63 | 8.75 | 9.66 | 4.50 | 5.36 |
| Unrealized gains (losses) for the period | 12.04 | (7.58) | (0.07) | (1.82) | 8.71 |
| Total increase (decrease) from operations⁽²⁾ | 17.94 | 1.44 | 9.64 | 2.69 | 14.04 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.32) | (0.47) | (0.16) | (0.14) | - |
| From capital gains | (1.47) | (4.44) | (0.69) | - | - |
| Return of capital | - | - | (0.05) | (0.01) | - |
| Total annual distributions⁽³⁾ | (1.79) | (4.91) | (0.90) | (0.15) | - |
| Net asset value, end of period | 89.78 | 73.56 | 76.84 | 67.93 | 65.40 |

Sun Life MFS U.S. Equity Fund - Series I

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Net asset value, beginning of period | 74.85 | 78.25 | 69.10 | 66.43 | 55.85 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 1.46 | 1.40 | 1.25 | 1.07 | 1.01 |
| Total expenses | (0.22) | (0.21) | (0.18) | (0.18) | (0.16) |
| Realized gains (losses) for the period | 5.72 | 9.37 | 9.88 | 4.49 | 5.54 |
| Unrealized gains (losses) for the period | 12.35 | (7.46) | 0.12 | (1.94) | 5.19 |
| Total increase (decrease) from operations⁽²⁾ | 19.31 | 3.10 | 11.07 | 3.44 | 11.58 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (1.16) | (1.26) | (1.10) | (0.89) | (1.07) |
| From capital gains | (1.58) | (4.63) | (0.79) | - | - |
| Return of capital | - | - | - | (0.05) | - |
| Total annual distributions⁽³⁾ | (2.74) | (5.89) | (1.89) | (0.94) | (1.07) |
| Net asset value, end of period | 91.48 | 74.85 | 78.25 | 69.10 | 66.43 |

Sun Life MFS U.S. Equity Fund

Sun Life MFS U.S. Equity Fund - Series O

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Net asset value, beginning of period | 15.16 | 15.84 | 14.00 | 13.46 | 11.32 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.29 | 0.28 | 0.25 | 0.22 | 0.20 |
| Total expenses | (0.07) | (0.07) | (0.07) | (0.06) | (0.06) |
| Realized gains (losses) for the period | 1.14 | 1.82 | 1.95 | 0.95 | 1.11 |
| Unrealized gains (losses) for the period | 2.53 | (1.59) | 0.07 | (0.34) | 1.08 |
| Total increase (decrease) from operations⁽²⁾ | 3.89 | 0.44 | 2.20 | 0.77 | 2.33 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.20) | (0.24) | (0.20) | (0.15) | (0.20) |
| From capital gains | (0.32) | (0.94) | (0.16) | - | - |
| Return of capital | - | - | - | (0.01) | - |
| Total annual distributions⁽³⁾ | (0.52) | (1.18) | (0.36) | (0.16) | (0.20) |
| Net asset value, end of period | 18.53 | 15.16 | 15.84 | 14.00 | 13.46 |

⁽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 U.S. Equity Fund - Series A

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|-----------|-----------|
| Total net asset value (\$) ⁽¹⁾ | 16,450,252 | 13,026,758 | 11,529,200 | 9,644,502 | 7,863,132 |
| Number of units outstanding ⁽¹⁾ | 195,231 | 187,060 | 157,602 | 147,865 | 124,216 |
| Management expense ratio (%) ⁽²⁾ | 2.29 | 2.29 | 2.43 | 2.42 | 2.42 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 2.29 | 2.29 | 2.43 | 2.42 | 2.42 |
| Trading expense ratio (%) ⁽³⁾ | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 22.60 | 18.18 | 20.06 | 24.30 | 25.33 |
| Net asset value per unit (\$) ⁽¹⁾ | 84.26 | 69.64 | 73.15 | 65.23 | 63.30 |

Sun Life MFS U.S. Equity Fund - Series D

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|------------|------------|
| Total net asset value (\$) ⁽¹⁾ | 33,670,799 | 30,776,958 | 35,021,988 | 34,200,613 | 36,129,234 |
| Number of units outstanding ⁽¹⁾ | 373,526 | 416,070 | 453,579 | 500,601 | 549,087 |
| Management expense ratio (%) ⁽²⁾ | 1.61 | 1.61 | 1.61 | 1.60 | 1.60 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 1.61 | 1.61 | 1.61 | 1.60 | 1.60 |
| Trading expense ratio (%) ⁽³⁾ | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 22.60 | 18.18 | 20.06 | 24.30 | 25.33 |
| Net asset value per unit (\$) ⁽¹⁾ | 90.14 | 73.97 | 77.21 | 68.32 | 65.80 |

Sun Life MFS U.S. Equity Fund - Series F

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|------------|------------|------------|
| Total net asset value (\$) ⁽¹⁾ | 17,676,212 | 13,733,312 | 11,753,272 | 10,404,386 | 10,260,870 |
| Number of units outstanding ⁽¹⁾ | 196,874 | 186,704 | 152,959 | 153,172 | 156,898 |
| Management expense ratio (%) ⁽²⁾ | 1.12 | 1.12 | 1.34 | 1.34 | 1.35 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 1.12 | 1.12 | 1.34 | 1.34 | 1.35 |
| Trading expense ratio (%) ⁽³⁾ | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 22.60 | 18.18 | 20.06 | 24.30 | 25.33 |
| Net asset value per unit (\$) ⁽¹⁾ | 89.78 | 73.56 | 76.84 | 67.93 | 65.40 |

Sun Life MFS U.S. Equity Fund - Series I

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Total net asset value (\$) ⁽¹⁾ | 534,592,402 | 440,336,935 | 489,974,293 | 546,057,548 | 556,745,320 |
| Number of units outstanding ⁽¹⁾ | 5,843,796 | 5,883,224 | 6,261,911 | 7,902,849 | 8,381,031 |
| 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⁾ | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 22.60 | 18.18 | 20.06 | 24.30 | 25.33 |
| Net asset value per unit (\$) ⁽¹⁾ | 91.48 | 74.85 | 78.25 | 69.10 | 66.43 |

Sun Life MFS U.S. Equity Fund - Series O

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------------|------------|-----------|-----------|-----------|
| Total net asset value (\$) ⁽¹⁾ | 11,359,151 | 10,787,976 | 9,956,558 | 8,089,460 | 7,147,336 |
| Number of units outstanding ⁽¹⁾ | 613,152 | 711,756 | 628,420 | 577,980 | 531,030 |
| Management expense ratio (%) ⁽²⁾ | 0.17 | 0.17 | 0.23 | 0.23 | 0.23 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 0.17 | 0.17 | 0.23 | 0.23 | 0.23 |
| Trading expense ratio (%) ⁽³⁾ | 0.01 | 0.01 | 0.02 | 0.02 | 0.02 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 22.60 | 18.18 | 20.06 | 24.30 | 25.33 |
| Net asset value per unit (\$) ⁽¹⁾ | 18.53 | 15.16 | 15.84 | 14.00 | 13.46 |

⁽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.

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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 (%) ^(*) | General Administration, Investment Advice and Profit (%) |
| Series A Units | 1.85 | 44 | 56 |
| Series D Units | 1.25 | 20 | 80 |
| Series F Units | 0.85 | – | 100 |
| Series I Units ^(†) | – | – | – |
| Series O Units ^(‡) | 0.85 | – | – |

(*) Includes sales and trailing commissions.

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

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

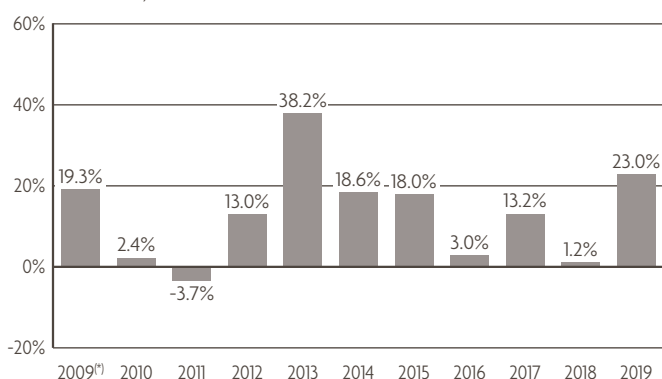
Past Performance

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

Year-by-Year Returns

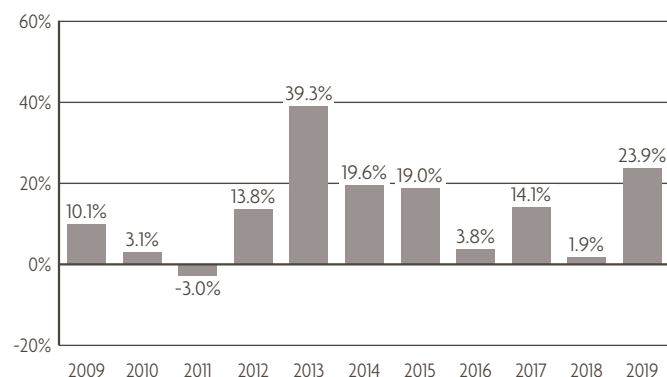
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

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

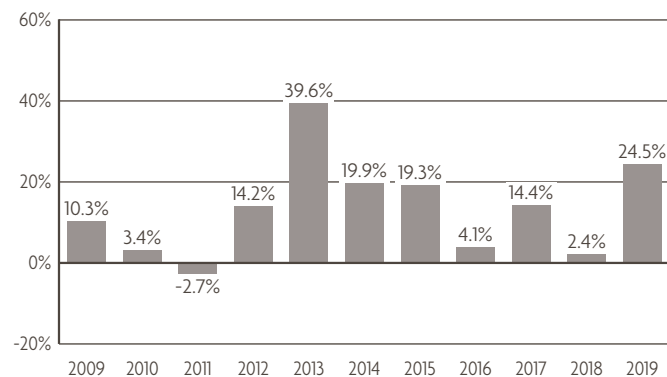


(*) for the period of March 31, 2009 to December 31, 2009.

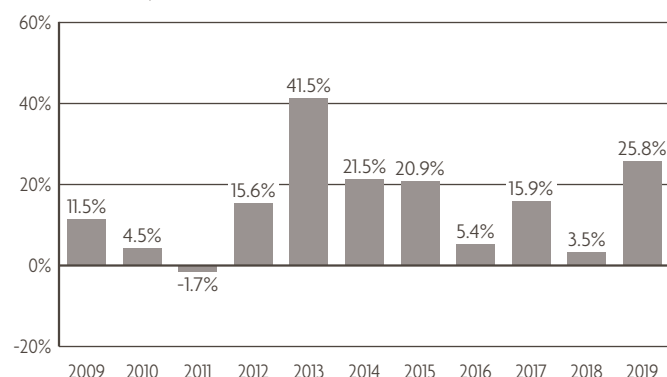
Series D Units – Annual return for the period ended December 31, 2019



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

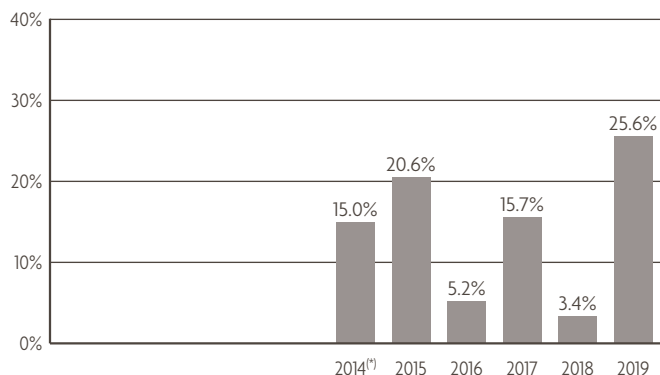


Series I Units – Annual return for the period ended December 31, 2019



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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, 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:
S&P 500 Index C\$

The Series A units underperformed the benchmark over the past ten years, 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⁾ |
|-----------|--------|--------|--------|---------|---|
| Series A | 23.0% | 12.1% | 11.4% | 12.1% | 13.0% |
| Benchmark | 24.8% | 14.0% | 14.2% | 16.0% | 16.6% |
| Series D | 23.9% | 12.9% | 12.2% | 12.9% | 10.3% |
| Benchmark | 24.8% | 14.0% | 14.2% | 16.0% | N/A |
| Series F | 24.5% | 13.4% | 12.6% | 13.3% | 10.2% |
| Benchmark | 24.8% | 14.0% | 14.2% | 16.0% | 12.3% |
| Series I | 25.8% | 14.7% | 14.0% | 14.7% | 14.3% |
| Benchmark | 24.8% | 14.0% | 14.2% | 16.0% | 15.1% |
| Series O | 25.6% | 14.5% | 13.8% | N/A | 14.6% |
| Benchmark | 24.8% | 14.0% | 14.2% | 16.0% | 15.4% |

⁽¹⁾ The performance start date for Series A units was March 31, 2009.

⁽²⁾ The performance start date for Series D units was July 15, 1988.

⁽³⁾ The performance start date for Series F units was February 13, 2008.

⁽⁴⁾ The performance start date for Series I units was November 28, 2008.

⁽⁵⁾ The performance start date for Series O units was April 1, 2014.

INDEX DESCRIPTION(S)

The S&P 500 Index 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.

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

| Holding Name | Percentage of Net Asset Value of the Fund (%) |
|--|---|
| 1 Alphabet Inc., Class A | 3.4 |
| 2 JPMorgan Chase & Co. | 3.1 |
| 3 Microsoft Corp. | 3.0 |
| 4 Medtronic PLC | 2.6 |
| 5 MasterCard Inc., Class A | 2.5 |
| 6 Johnson & Johnson | 2.5 |
| 7 Bank of America Corporation | 2.4 |
| 8 American Tower Corp. | 2.3 |
| 9 Visa Inc., Class A | 2.3 |
| 10 Thermo Fisher Scientific Inc. | 2.1 |
| 11 Accenture PLC | 2.0 |
| 12 Fidelity National Information Services Inc. | 2.0 |
| 13 Comcast Corporation, Class A | 2.0 |
| 14 Honeywell International Inc. | 1.9 |
| 15 Becton Dickinson and Co. | 1.8 |
| 16 Danaher Corporation | 1.8 |
| 17 Facebook Inc. | 1.6 |
| 18 The NASDAQ OMX Group Inc. | 1.6 |
| 19 Apple Inc. | 1.5 |
| 20 The Goldman Sachs Group Inc. | 1.5 |
| 21 Texas Instruments Inc. | 1.5 |
| 22 Adobe Systems Inc. | 1.5 |
| 23 Enterprise Products Partners LP | 1.5 |
| 24 The Sherwin-Williams Company | 1.4 |
| 25 Eli Lilly & Co. | 1.4 |

51.2

Total Net Asset Value ('000's) \$ 613,749

Sector Allocation

| | Percentage of Net Asset Value of the Fund % |
|-----------------------------|---|
| Information Technology | 23.1 |
| Health Care | 16.3 |
| Financials | 12.9 |
| Communication Services | 10.3 |
| Consumer Discretionary | 8.5 |
| Industrials | 8.4 |
| Consumer Staples | 7.8 |
| Materials | 4.5 |
| Energy | 4.1 |
| Real Estate | 2.3 |
| Cash and Cash Equivalents** | 1.3 |
| Utilities | 0.5 |
| Total | 100.0 |

Sun Life MFS U.S. Equity Fund

Asset Allocation

| | Percentage of Net Asset Value of the Fund % |
|-----------------------------|---|
| U.S. Equities | 83.7 |
| International Equities | 13.7 |
| Canadian Equities | 1.3 |
| Cash and Cash Equivalents** | 1.3 |
| | 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 U.S. Equity 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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