

---

# 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. Value Fund



# Sun Life MFS U.S. 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](mailto: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](http://www.sunlifeglobalinvestments.com) and on SEDAR at [www.sedar.com](http://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. Value Fund (the "Fund") are to seek capital appreciation by investing primarily in equity securities of companies with large market capitalizations located in the United States 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"). The Sub-Advisor uses a bottom-up investment approach 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. The Sub-Advisor also considers factors such as earnings, cash flows, competitive position and management ability of issuers. The Fund invests primarily in companies with large capitalizations (large market capitalization generally considered as issuers with market capitalizations of at least USD \$5 billion at the time of purchase). The Fund may also invest up to 20% of the Fund's assets in non-U.S. foreign securities.

### 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 \$447.8 million to \$465.8 million due to positive performance, partially offset by net redemptions.

During the period, the Fund returned 20.7% for Series A units, this result lagged the Fund's benchmark, which returned 24.8%. The broad-based index 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.

An underweight position and security selection in the Communication Services sector were detractors to fund performance.

Relative to the benchmark, the Fund's overweight positions in diversified technology company 3M, power & natural gas distributor Duke Energy, pharmaceutical giant Pfizer and oil field services company Schlumberger detracted from performance. The Fund's underweight position in household products maker Procter & Gamble also detracted from performance.

The fund's cash and/or cash equivalents position during the period was also a detractor to fund performance. As the market appreciated significantly in 2019, the cash level limited the Fund's ability to participate in the market rally.

Stock selection and an overweight position in the Financials sector contributed to performance. The Fund's overweight positions in global financial services firms JPMorgan Chase and Citigroup, and holding shares of risk management and human capital consulting services provider Aon and business and financial services company Moody's Corporation also contributed to performance.

An overweight position and, to a lesser extent, security selection in the Industrials sector also contributed to performance. Within this sector, holding shares of industrials products and equipment manufacturer Illinois Tool Works and global security company Northrop Grumman contributed to performance.

An underweight position in the Energy sector also contributed to performance, led by an underweight position in poor-performing integrated oil and gas company Exxon Mobil.

Elsewhere, the fund's holdings of Information Technology servicing firm Accenture and financial technology services provider Fiserv contributed to performance.

# Sun Life MFS U.S. 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 U.S. 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 (\$) <sup>(1)</sup>

#### Sun Life MFS U.S. Value Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	23.68	24.66	22.90	21.25	18.28
<b>Increase (decrease) from operations:</b>					
Total revenue	0.64	0.61	0.53	0.52	0.50
Total expenses	(1.50)	(1.27)	(1.07)	(0.81)	(0.73)
Realized gains (losses) for the period	2.16	0.48	0.67	0.65	0.87
Unrealized gains (losses) for the period	3.64	(0.75)	1.60	1.54	2.14
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.94</b>	<b>(0.93)</b>	<b>1.73</b>	<b>1.90</b>	<b>2.78</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.16)	-	-	(0.01)	-
From capital gains	-	-	-	-	-
Return of capital	(0.08)	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.24)</b>	-	-	<b>(0.01)</b>	-
<b>Net asset value, end of period</b>	<b>28.34</b>	<b>23.68</b>	<b>24.66</b>	<b>22.90</b>	<b>21.25</b>

#### Sun Life MFS U.S. Value Fund - Series AH

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	17.26	19.61	17.21	15.63	15.85
<b>Increase (decrease) from operations:</b>					
Total revenue	0.48	0.47	0.41	0.40	0.39
Total expenses	(1.13)	(0.99)	(0.82)	(0.63)	(0.59)
Realized gains (losses) for the period	2.08	(1.09)	1.14	0.31	(1.86)
Unrealized gains (losses) for the period	2.83	(0.56)	1.69	1.51	1.84
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.26</b>	<b>(2.17)</b>	<b>2.42</b>	<b>1.59</b>	<b>(0.22)</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.13)	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.06)	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.19)</b>	-	-	-	-
<b>Net asset value, end of period</b>	<b>21.33</b>	<b>17.26</b>	<b>19.61</b>	<b>17.21</b>	<b>15.63</b>

#### Sun Life MFS U.S. Value Fund - Series T5

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	25.88	28.37	27.67	27.04	24.36
<b>Increase (decrease) from operations:</b>					
Total revenue	0.69	0.69	0.63	0.65	0.65
Total expenses	(1.56)	(1.43)	(1.28)	(1.01)	(0.95)
Realized gains (losses) for the period	1.66	0.55	0.76	0.82	1.16
Unrealized gains (losses) for the period	5.28	(0.48)	1.81	1.13	3.02
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>6.07</b>	<b>(0.67)</b>	<b>1.92</b>	<b>1.59</b>	<b>3.88</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.17)	(1.29)	-	(0.03)	-
From capital gains	-	-	-	-	-
Return of capital	(1.20)	(0.13)	(1.38)	(1.32)	(1.22)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.37)</b>	<b>(1.42)</b>	<b>(1.38)</b>	<b>(1.35)</b>	<b>(1.22)</b>
<b>Net asset value, end of period</b>	<b>29.78</b>	<b>25.88</b>	<b>28.37</b>	<b>27.67</b>	<b>27.04</b>

#### Sun Life MFS U.S. Value Fund - Series T8

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	20.97	23.63	23.76	23.97	22.25
<b>Increase (decrease) from operations:</b>					
Total revenue	0.55	0.55	0.53	0.56	0.58
Total expenses	(1.31)	(1.15)	(1.06)	(0.89)	(0.88)
Realized gains (losses) for the period	1.90	0.45	0.64	0.75	1.05
Unrealized gains (losses) for the period	3.04	(0.03)	1.12	1.66	2.69
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.18</b>	<b>(0.18)</b>	<b>1.23</b>	<b>2.08</b>	<b>3.44</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.22)	(1.71)	(0.01)	(0.05)	-
From capital gains	-	-	-	-	-
Return of capital	(1.53)	(0.18)	(1.89)	(1.87)	(1.78)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.75)</b>	<b>(1.89)</b>	<b>(1.90)</b>	<b>(1.92)</b>	<b>(1.78)</b>
<b>Net asset value, end of period</b>	<b>23.44</b>	<b>20.97</b>	<b>23.63</b>	<b>23.76</b>	<b>23.97</b>

# Sun Life MFS U.S. Value Fund

## Sun Life MFS U.S. Value Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	24.73	25.83	23.74	22.06	18.91
<b>Increase (decrease) from operations:</b>					
Total revenue	0.67	0.65	0.56	0.54	0.52
Total expenses	(0.78)	(0.66)	(0.62)	(0.47)	(0.42)
Realized gains (losses) for the period	2.43	0.45	0.68	0.68	0.92
Unrealized gains (losses) for the period	3.02	(1.51)	1.26	1.61	2.01
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>5.34</b>	<b>(1.07)</b>	<b>1.88</b>	<b>2.36</b>	<b>3.03</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.55)	(0.35)	(0.02)	(0.29)	(0.17)
From capital gains	-	-	-	-	-
Return of capital	(0.08)	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.63)</b>	<b>(0.35)</b>	<b>(0.02)</b>	<b>(0.29)</b>	<b>(0.17)</b>
<b>Net asset value, end of period</b>	<b>29.55</b>	<b>24.73</b>	<b>25.83</b>	<b>23.74</b>	<b>22.06</b>

## Sun Life MFS U.S. Value Fund - Series FH

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.44	11.82	10.31	10.00	
<b>Increase (decrease) from operations:</b>					
Total revenue	0.29	0.29	0.25	0.09	
Total expenses	(0.34)	(0.29)	(0.28)	(0.09)	
Realized gains (losses) for the period	1.33	(0.81)	0.85	(0.06)	
Unrealized gains (losses) for the period	1.50	(0.66)	0.75	0.54	
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.78</b>	<b>(1.47)</b>	<b>1.57</b>	<b>0.48</b>	
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.22)	(0.17)	(0.04)	(0.17)	
From capital gains	-	-	-	-	
Return of capital	(0.04)	-	-	-	
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.26)</b>	<b>(0.17)</b>	<b>(0.04)</b>	<b>(0.17)</b>	
<b>Net asset value, end of period</b>	<b>12.95</b>	<b>10.44</b>	<b>11.82</b>	<b>10.31</b>	

## Sun Life MFS U.S. Value Fund - Series F5

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	14.39	15.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.38	0.35
Total expenses	(0.45)	(0.34)
Realized gains (losses) for the period	1.32	0.24
Unrealized gains (losses) for the period	1.90	(0.17)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.15</b>	<b>0.08</b>
<b>Distributions:</b>		
From income (excluding dividends)	-	-
From dividends	(0.09)	(0.69)
From capital gains	-	-
Return of capital	(0.68)	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.77)</b>	<b>(0.69)</b>
<b>Net asset value, end of period</b>	<b>16.75</b>	<b>14.39</b>

## Sun Life MFS U.S. Value Fund - Series F8

	2019	2018
	(\$)	(\$)
Net asset value, beginning of period	13.99	15.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.33	0.35
Total expenses	(0.39)	(0.34)
Realized gains (losses) for the period	0.62	0.34
Unrealized gains (losses) for the period	5.00	(1.28)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>5.56</b>	<b>(0.93)</b>
<b>Distributions:</b>		
From income (excluding dividends)	-	-
From dividends	(0.15)	(1.10)
From capital gains	-	-
Return of capital	(1.01)	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.16)</b>	<b>(1.10)</b>
<b>Net asset value, end of period</b>	<b>15.84</b>	<b>13.99</b>

## Sun Life MFS U.S. Value Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	26.18	27.31	25.05	23.15	19.78
<b>Increase (decrease) from operations:</b>					
Total revenue	0.72	0.69	0.58	0.57	0.54
Total expenses	(0.04)	(0.03)	(0.03)	(0.02)	(0.02)
Realized gains (losses) for the period	2.24	0.54	0.76	0.74	0.97
Unrealized gains (losses) for the period	2.93	(1.80)	1.09	1.17	2.29
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>5.85</b>	<b>(0.60)</b>	<b>2.40</b>	<b>2.46</b>	<b>3.78</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.52)	(0.61)	(0.33)	(0.51)	(0.40)
From capital gains	-	-	-	-	-
Return of capital	(0.09)	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.61)</b>	<b>(0.61)</b>	<b>(0.33)</b>	<b>(0.51)</b>	<b>(0.40)</b>
<b>Net asset value, end of period</b>	<b>31.67</b>	<b>26.18</b>	<b>27.31</b>	<b>25.05</b>	<b>23.15</b>

## Sun Life MFS U.S. Value Fund - Series IH

	2019	2018	2017	2016
	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.37	11.79	10.32	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.28	0.29	0.25	0.09
Total expenses	(0.02)	(0.01)	(0.01)	-
Realized gains (losses) for the period	0.66	(0.65)	1.04	(0.06)
Unrealized gains (losses) for the period	3.80	(0.80)	0.33	0.51
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>4.72</b>	<b>(1.17)</b>	<b>1.61</b>	<b>0.54</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	(0.32)	(0.24)	(0.14)	(0.21)
From capital gains	-	-	-	-
Return of capital	(0.04)	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.36)</b>	<b>(0.24)</b>	<b>(0.14)</b>	<b>(0.21)</b>
<b>Net asset value, end of period</b>	<b>13.34</b>	<b>10.37</b>	<b>11.79</b>	<b>10.32</b>

# Sun Life MFS U.S. Value Fund

## Sun Life MFS U.S. Value Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	14.85	15.49	14.21	13.14	11.24
<b>Increase (decrease) from operations:</b>					
Total revenue	0.40	0.39	0.34	0.32	0.31
Total expenses	(0.07)	(0.06)	(0.06)	(0.05)	(0.04)
Realized gains (losses) for the period	1.31	0.30	0.42	0.42	0.54
Unrealized gains (losses) for the period	1.87	(0.94)	0.78	0.77	1.10
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.51</b>	<b>(0.31)</b>	<b>1.48</b>	<b>1.46</b>	<b>1.91</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(0.46)	(0.32)	(0.16)	(0.27)	(0.21)
From capital gains	-	-	-	-	-
Return of capital	(0.05)	-	-	-	(0.01)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.51)</b>	<b>(0.32)</b>	<b>(0.16)</b>	<b>(0.27)</b>	<b>(0.22)</b>
<b>Net asset value, end of period</b>	<b>17.77</b>	<b>14.85</b>	<b>15.49</b>	<b>14.21</b>	<b>13.14</b>

## Sun Life MFS U.S. Value Fund - Series OH

	2019	2018	2017	2016
	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.44	11.88	10.31	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.29	0.29	0.25	0.09
Total expenses	(0.05)	(0.04)	(0.05)	(0.02)
Realized gains (losses) for the period	1.32	(0.66)	0.55	(0.15)
Unrealized gains (losses) for the period	1.64	(0.79)	0.93	0.39
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>3.20</b>	<b>(1.20)</b>	<b>1.68</b>	<b>0.31</b>
<b>Distributions:</b>				
From income (excluding dividends)	-	-	-	-
From dividends	(0.48)	(0.23)	(0.11)	(0.21)
From capital gains	-	-	-	-
Return of capital	(0.04)	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.52)</b>	<b>(0.23)</b>	<b>(0.11)</b>	<b>(0.21)</b>
<b>Net asset value, end of period</b>	<b>12.84</b>	<b>10.44</b>	<b>11.88</b>	<b>10.31</b>

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

<sup>(2)</sup> 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.

<sup>(3)</sup> Distributions were paid in cash, reinvested in additional units of the Fund, or both.

## Ratios and Supplemental Data

### Sun Life MFS U.S. Value Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	35,164,579	31,271,016	35,611,583	27,946,776	19,725,824
Number of units outstanding <sup>(1)</sup>	1,240,839	1,320,584	1,444,103	1,220,648	928,150
Management expense ratio (%) <sup>(2)</sup>	2.27	2.27	2.44	2.44	2.44
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.27	2.27	2.44	2.44	2.44
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	28.34	23.68	24.66	22.90	21.25

## Sun Life MFS U.S. Value Fund - Series AH

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	980,393	762,878	1,004,348	759,143	643,039
Number of units outstanding <sup>(1)</sup>	45,955	44,204	51,216	44,111	41,135
Management expense ratio (%) <sup>(2)</sup>	2.30	2.30	2.42	2.48	2.49
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.30	2.30	2.42	2.48	2.49
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	21.33	17.26	19.61	17.21	15.63

## Sun Life MFS U.S. Value Fund - Series T5

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	55,995	103,169	101,334	166,724	181,287
Number of units outstanding <sup>(1)</sup>	1,880	3,986	3,572	6,026	6,706
Management expense ratio (%) <sup>(2)</sup>	2.23	2.28	2.46	2.47	2.44
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.23	2.28	2.46	2.47	2.44
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	29.78	25.88	28.37	27.67	27.04

## Sun Life MFS U.S. Value Fund - Series T8

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	296,767	187,059	480,200	247,595	185,537
Number of units outstanding <sup>(1)</sup>	12,658	8,919	20,320	10,422	7,739
Management expense ratio (%) <sup>(2)</sup>	2.31	2.21	2.43	2.48	2.50
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.31	2.21	2.43	2.48	2.50
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	23.44	20.97	23.63	23.76	23.97

## Sun Life MFS U.S. Value Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	10,470,806	6,687,759	4,966,611	3,017,509	1,592,501
Number of units outstanding <sup>(1)</sup>	354,399	270,414	192,266	127,106	72,205
Management expense ratio (%) <sup>(2)</sup>	1.12	1.12	1.35	1.35	1.34
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.12	1.12	1.35	1.35	1.34
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	29.55	24.73	25.83	23.74	22.06

## Sun Life MFS U.S. Value Fund - Series FH

	2019	2018	2017	2016
Total net asset value (\$) <sup>(1)</sup>	107,452	85,736	30,077	10,488
Number of units outstanding <sup>(1)</sup>	8,297	8,212	2,544	1,017
Management expense ratio (%) <sup>(2)</sup>	1.13	1.13	1.36	1.36
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.13	1.13	1.36	1.36
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11
Net asset value per unit (\$) <sup>(1)</sup>	12.95	10.44	11.82	10.31

# Sun Life MFS U.S. Value Fund

## Sun Life MFS U.S. Value Fund - Series F5

	2019	2018
Total net asset value (\$) <sup>(1)</sup>	12,306	10,053
Number of units outstanding <sup>(1)</sup>	735	699
Management expense ratio (%) <sup>(2)</sup>	1.13	1.11
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.13	1.11
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32
Net asset value per unit (\$) <sup>(1)</sup>	16.75	14.39

## Sun Life MFS U.S. Value Fund - Series F8

	2019	2018
Total net asset value (\$) <sup>(1)</sup>	12,309	89,339
Number of units outstanding <sup>(1)</sup>	777	6,384
Management expense ratio (%) <sup>(2)</sup>	1.06	1.11
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.06	1.11
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32
Net asset value per unit (\$) <sup>(1)</sup>	15.84	13.99

## Sun Life MFS U.S. Value Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	410,592,793	400,875,497	423,540,055	90,806,768	77,250,837
Number of units outstanding <sup>(1)</sup>	12,965,862	15,311,149	15,510,082	3,625,288	3,336,727
Management expense ratio (%) <sup>(2)</sup>	0.06	0.06	0.06	0.06	0.06
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.06	0.06	0.06	0.06	0.06
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	31.67	26.18	27.31	25.05	23.15

## Sun Life MFS U.S. Value Fund - Series IH

	2019	2018	2017	2016
Total net asset value (\$) <sup>(1)</sup>	14,497	157,965	175,841	10,536
Number of units outstanding <sup>(1)</sup>	1,087	15,236	14,916	1,021
Management expense ratio (%) <sup>(2)</sup>	0.06	0.06	0.06	0.04
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.06	0.06	0.06	0.04
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11
Net asset value per unit (\$) <sup>(1)</sup>	13.34	10.37	11.79	10.32

## Sun Life MFS U.S. Value Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	8,022,564	7,506,295	7,577,444	4,488,925	3,301,527
Number of units outstanding <sup>(1)</sup>	451,409	505,562	489,340	315,912	251,289
Management expense ratio (%) <sup>(2)</sup>	0.17	0.17	0.23	0.22	0.22
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.17	0.17	0.23	0.22	0.22
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11	13.96
Net asset value per unit (\$) <sup>(1)</sup>	17.77	14.85	15.49	14.21	13.14

## Sun Life MFS U.S. Value Fund - Series OH

	2019	2018	2017	2016
Total net asset value (\$) <sup>(1)</sup>	113,603	20,280	22,801	29,108
Number of units outstanding <sup>(1)</sup>	8,844	1,943	1,920	2,824
Management expense ratio (%) <sup>(2)</sup>	0.17	0.17	0.23	0.24
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.17	0.17	0.23	0.24
Trading expense ratio (%) <sup>(3)</sup>	0.02	0.01	0.04	0.01
Portfolio turnover rate (%) <sup>(4)</sup>	56.83	28.32	37.84	17.11
Net asset value per unit (\$) <sup>(1)</sup>	12.84	10.44	11.88	10.31

<sup>(1)</sup> This information is provided as at December 31 of the period shown, as applicable.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.



# Sun Life MFS U.S. Value Fund

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

	Maximum Annual Management Fee Rate (%)	As a Percentage of Management Fees	
		Dealer Compensation (%) <sup>(*)</sup>	General Administration, Investment Advice and Profit (%)
Series A Units	1.85	45	55
Series AH Units	1.85	45	55
Series T5 Units	1.85	49	51
Series T8 Units	1.85	39	61
Series F Units	0.85	–	100
Series F5 Units	0.85	–	100
Series F8 Units	0.85	–	100
Series FH Units	0.85	–	100
Series I Units <sup>(†)</sup>	–	–	–
Series IH Units	–	–	–
Series O Units <sup>(†)</sup>	0.85	–	–
Series OH 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.

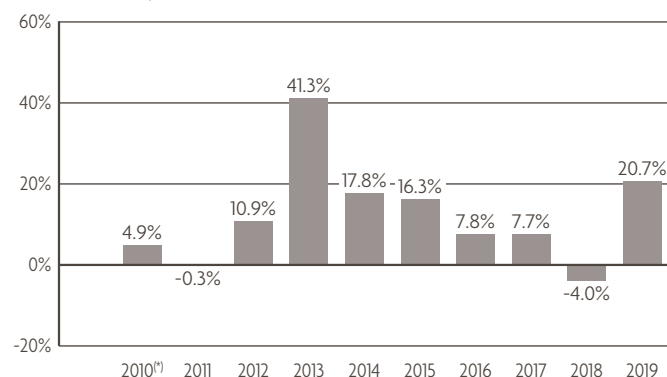
## Past Performance

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

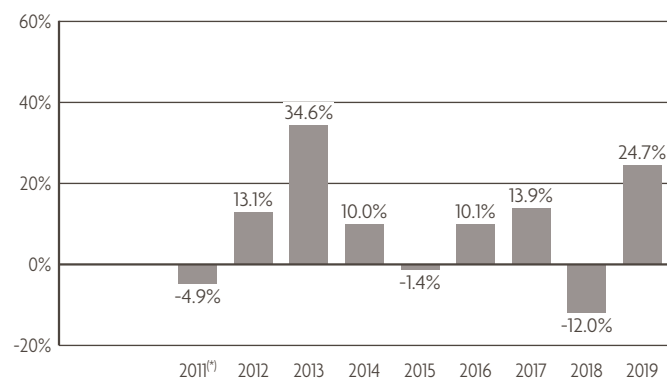
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

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



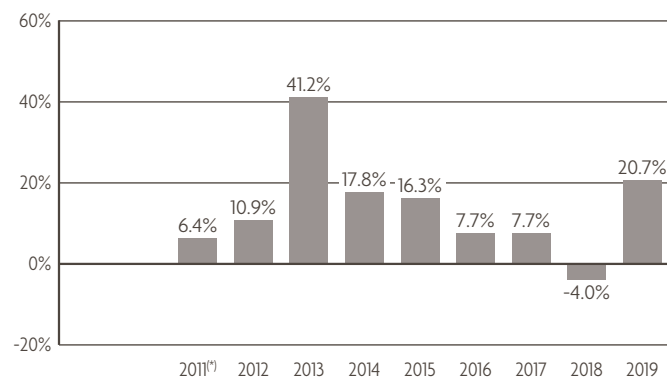
(\*) for the period of October 1, 2010 to December 31, 2010.

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



(\*) for the period of February 1, 2011 to December 31, 2011.

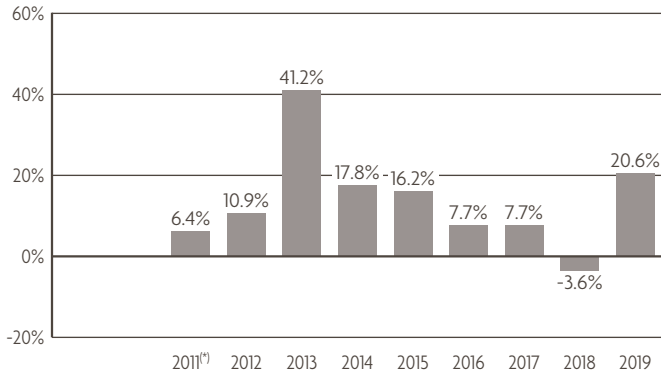
**Series T5 Units – Annual return for the period ended December 31, 2019**



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

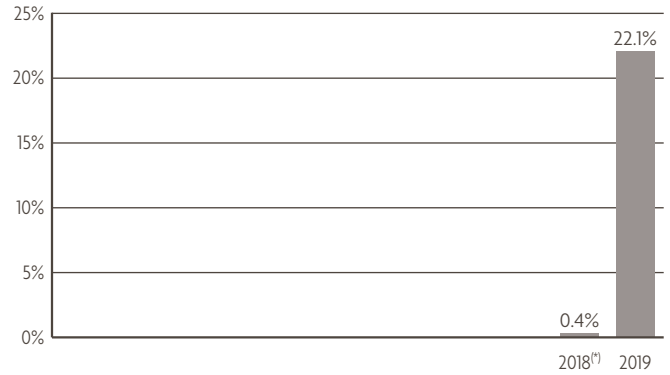
# Sun Life MFS U.S. Value Fund

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



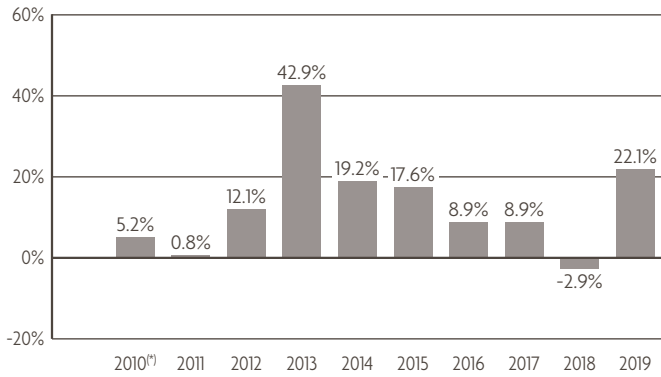
<sup>(\*)</sup> for the period of September 1, 2011 to December 31, 2011.

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



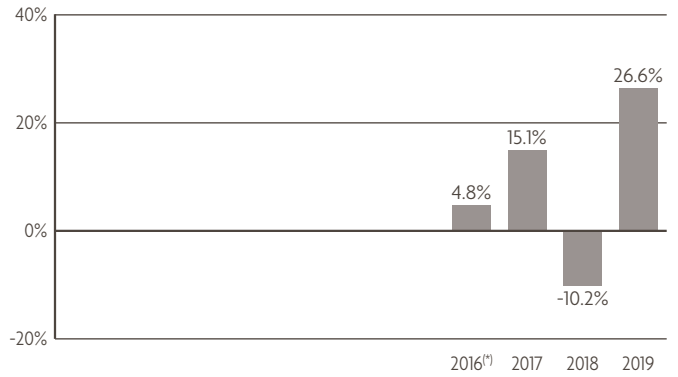
<sup>(\*)</sup> for the period of February 9, 2018 to December 31, 2018.

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



<sup>(\*)</sup> for the period of October 1, 2010 to December 31, 2010.

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



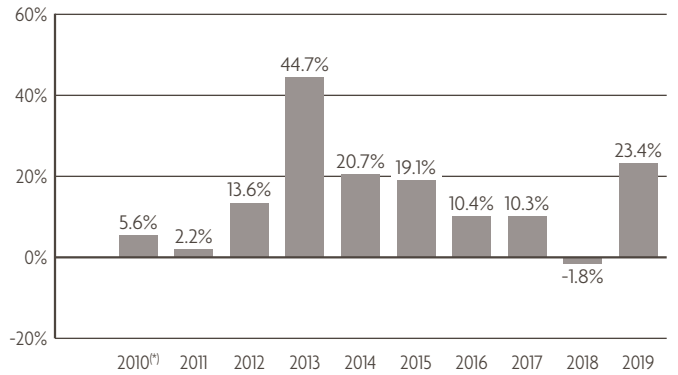
<sup>(\*)</sup> for the period of July 29, 2016 to December 31, 2016.

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



<sup>(\*)</sup> for the period of February 9, 2018 to December 31, 2018.

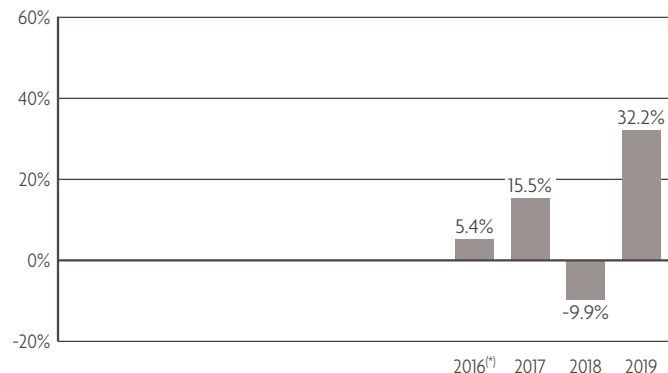
**Series I Units – Annual return for the period ended December 31, 2019**



<sup>(\*)</sup> for the period of October 1, 2010 to December 31, 2010.

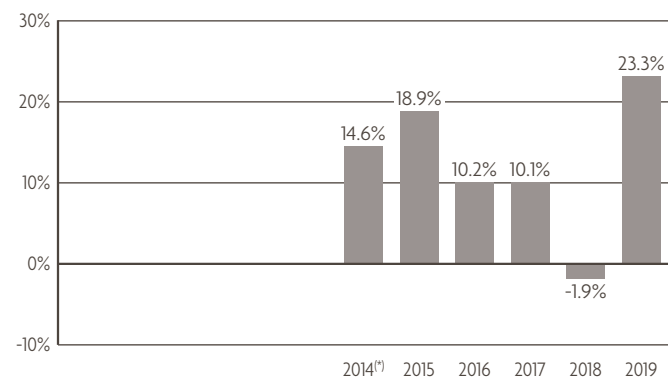
# Sun Life MFS U.S. Value Fund

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



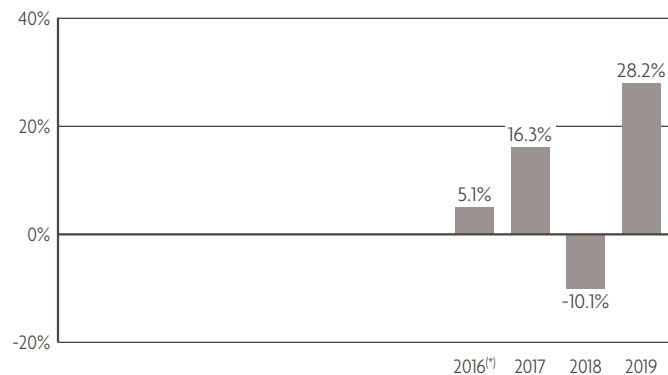
<sup>(\*)</sup> for the period of July 29, 2016 to December 31, 2016.

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



<sup>(\*)</sup> for the period of April 1, 2014 to December 31, 2014.

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



<sup>(\*)</sup> for the period of July 29, 2016 to December 31, 2016.

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

The following are the broad-based index or indices:  
Broad-based index - S&P 500 Index C\$

## Annual Compound Returns

The table compares the historical annual compound total returns of Series A, AH, T5, T8, F, F5, F8, FH, I, IH, O and OH securities of the Fund with the following benchmark and broad-based index, if applicable:

The benchmark (the "Benchmark") is composed of:  
Russell 1000 Index C\$

# Sun Life MFS U.S. Value Fund

	1 Year	3 Year	5 Year	10 Year	Performance Start Date <sup>(1)(2)(3)(4)(5)(6)(7)(8)(9)(10)(11)(12)</sup>
Series A	20.7%	7.7%	9.4%	N/A	12.7%
Benchmark	24.8%	13.8%	14.0%	16.0%	17.1%
Broad-based index	24.8%	14.0%	14.2%	16.0%	17.2%
Series AH	24.7%	7.7%	6.3%	N/A	9.0%
Benchmark	24.8%	13.8%	14.0%	16.0%	16.4%
Broad-based index	24.8%	14.0%	14.2%	16.0%	16.6%
Series T5	20.7%	7.7%	9.4%	N/A	14.4%
Series T8	20.6%	7.8%	9.4%	N/A	14.5%
Benchmark	24.8%	13.8%	14.0%	16.0%	18.6%
Broad-based index	24.8%	14.0%	14.2%	16.0%	18.7%
Series F	22.1%	8.9%	10.6%	N/A	14.0%
Benchmark	24.8%	13.8%	14.0%	16.0%	17.1%
Broad-based index	24.8%	14.0%	14.2%	16.0%	17.2%
Series F5	22.1%	N/A	N/A	N/A	11.3%
Series F8	22.1%	N/A	N/A	N/A	11.3%
Benchmark	24.8%	13.8%	14.0%	16.0%	16.4%
Broad-based index	24.8%	14.0%	14.2%	16.0%	16.6%
Series FH	26.6%	9.3%	N/A	N/A	9.7%
Benchmark	24.8%	13.8%	14.0%	16.0%	14.4%
Broad-based index	24.8%	14.0%	14.2%	16.0%	14.6%
Series I	23.4%	10.1%	11.9%	N/A	15.4%
Benchmark	24.8%	13.8%	14.0%	16.0%	17.1%
Broad-based index	24.8%	14.0%	14.2%	16.0%	17.2%
Series IH	32.2%	11.2%	N/A	N/A	11.5%
Benchmark	24.8%	13.8%	14.0%	16.0%	14.4%
Broad-based index	24.8%	14.0%	14.2%	16.0%	14.6%
Series O	23.3%	10.0%	11.8%	N/A	12.8%
Benchmark	24.8%	13.8%	14.0%	16.0%	15.1%
Broad-based index	24.8%	14.0%	14.2%	16.0%	15.4%
Series OH	28.2%	10.2%	N/A	N/A	10.6%
Benchmark	24.8%	13.8%	14.0%	16.0%	14.4%
Broad-based index	24.8%	14.0%	14.2%	16.0%	14.6%

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

<sup>(2)</sup> The performance start date for Series AH units was February 1, 2011.

<sup>(3)</sup> The performance start date for Series T5 units was September 1, 2011.

<sup>(4)</sup> The performance start date for Series T8 units was September 1, 2011.

<sup>(5)</sup> The performance start date for Series F units was October 1, 2010.

<sup>(6)</sup> The performance start date for Series F5 units was February 9, 2018.

<sup>(7)</sup> The performance start date for Series F8 units was February 9, 2018.

<sup>(8)</sup> The performance start date for Series FH units was July 29, 2016.

<sup>(9)</sup> The performance start date for Series I units was October 1, 2010.

<sup>(10)</sup> The performance start date for Series IH units was July 29, 2016.

<sup>(11)</sup> The performance start date for Series O units was April 1, 2014.

<sup>(12)</sup> The performance start date for Series OH units was July 29, 2016.

## INDEX DESCRIPTION(S)

The Russell 1000 Index is designed to track the performance of approximately 1,000 of the largest companies in the U.S. equity market. It is a subset of the Russell 3000, which lists the largest 3,000 public companies in the U.S. equity market.

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 JPMorgan Chase & Co.	5.0
2 Johnson & Johnson	3.4
3 Medtronic PLC	2.9
4 Comcast Corporation	2.8
5 Accenture PLC	2.7
6 Citigroup Inc.	2.6
7 Aon PLC	2.3
8 Duke Energy Corporation	2.2
9 U.S. Bancorp	2.2
10 Texas Instruments Inc.	2.1
11 Chubb Ltd.	2.1
12 CIGNA Corp.	2.1
13 PPG Industries Inc.	2.0
14 Wells Fargo & Co.	2.0
15 Pfizer Inc.	2.0
16 Honeywell International Inc.	2.0
17 Northrop Grumman Corp.	2.0
18 The Southern Co.	1.9
19 The Travelers Companies Inc.	1.8
20 Danaher Corporation	1.8
21 Illinois Tool Works Inc.	1.7
22 Nestle SA	1.7
23 Fiserv Inc.	1.5
24 The Goldman Sachs Group Inc.	1.5
25 Truist Financial Corp.	1.5
	<b>55.8</b>
<b>Total Net Asset Value ('000's)</b>	<b>\$ 465,844</b>

# Sun Life MFS U.S. Value Fund

## Sector Allocation

	Percentage of Net Asset Value of the Fund %
Financials	29.9
Health Care	17.2
Industrials	16.2
Information Technology	9.2
Consumer Staples	7.8
Utilities	5.9
Materials	4.1
Communication Services	3.3
Energy	3.2
Cash and Cash Equivalents**	1.7
Consumer Discretionary	1.2
Real Estate	0.3
	<b>100.0</b>

(\*) 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](http://www.sunlifeglobalinvestments.com) or by sending an email to us at [info@sunlifeglobalinvestments.com](mailto: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. 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](http://www.sunlifeglobalinvestments.com) or [www.sedar.com](http://www.sedar.com).

Sun Life Global Investments (Canada) Inc.  
1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6  
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859  
[info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com)  
[www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com)



I L L U M I N A T I N G