
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2019

Sun Life NWQ Flexible Income Fund



Sun Life NWQ Flexible Income Fund

This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can request a free copy of the annual financial statements by calling 1-877-344-1434, by sending an email to us at info@sunlifeglobalinvestments.com or by writing to us at 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 objectives of the Sun Life NWQ Flexible Income Fund (the "Fund") are to seek to achieve income and capital appreciation by investing primarily in a diversified portfolio of income producing securities.

The Fund's Sub-Advisor is NWQ Investment Management Company, LLC. (the "Sub-Advisor"). The Fund's investment strategy is to invest in a wide range of income producing securities of issuers, including but not limited to: preferred securities, corporate debt, mortgage-backed securities, taxable municipals and government and agency debt securities. The Sub-Advisor seeks to employ a rigorous, bottom-up research concentrated investment process that focuses on financial statement and absolute valuation analysis to identify undervalued companies that offer favourable risk/reward characteristics and capital preservation. Given this investment process, the Sub-Advisor may invest anywhere in the world but may have a tendency to have a high geographic concentration to the U.S. The Fund may invest a significant portion of the portfolio in below investment grade securities, commonly referred to as "high yield 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 \$168.1 million to \$476.9 million due to positive net sales, as well as positive performance.

During the period, the Fund returned 15.1% for Series A units, this result surpassed the Fund's benchmark, which returned 7.9%. The broad-based index 1 returned 24.8% and the broad-based index 2 returned 3.2%. 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.

In 2019, the Fund's positions across all asset classes: Common Stock, Preferred Stock, Convertibles, High Yield Bonds, and Investment Grade Bonds, posted positive returns and all outperformed the Bloomberg Barclays U.S. Aggregate Bond Index.

The largest positive contributors to outperformance were the Fund's Investment Grade Bond and High Yield Bond positions, which outperformed the ICE BofA Merrill Lynch U.S. Corporate Index and ICE BofA Merrill Lynch U.S. High Yield Index, respectively. HP Enterprise (HPE) 6.35% 10/15/45 senior note was among the largest contributors to Investment Grade Bond performance. Over the period, HPE continued to drive higher margin and maintained its free cash flow guidance despite macroeconomic headwinds. Spreads (the difference in yield between a U.S. Treasury bond and another debt security of the same maturity but different credit quality) in HPE bonds tightened as the company continued to deliver strong results and investors' fears around BBB credit subsided. The tightening in spreads has led the HPE bonds to outperform.

The top detractor from performance in 2019 was Equitrans Midstream common stock. Equitrans Midstream, which owns and operates natural gas gathering and transmission assets, experienced share price weakness as further delays and cost overruns to the company's key growth project, the Mountain Valley pipeline, exacerbated concerns over the sustainability of the company's dividend and leverage. The issue at hand concerns obtaining final approval/permitting to cross the Appalachian Trail for a \$5.5 billion pipeline project that is 80% completed. The stock experienced a strong rally in December, though still closed the year at a loss.

Sun Life NWQ Flexible Income 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.

Risk markets enjoyed a stellar year in 2019 with the vast majority of asset classes posting positive returns over the period. The year was marked by tenuous trade negotiations between the U.S. and China, which eventually de-escalated following a “phase one” trade agreement in December; a decline in interest rates as the U.S. Federal Reserve cut the federal funds rate three times during the year and signaled it would remain on pause for some time; and clarity on the direction of Brexit as Boris Johnson triumphed in a landslide victory during the December U.K. general election.

Equity markets reached record highs to close the year, driven by lower interest rates and modest economic growth. The S&P 500 appreciated over 30% for the year, marking the highest return seen since 2013. U.S. Treasury yields marched lower over the year, beginning the year at 2.66% and reaching a low of 1.47% in late August before closing the year at 1.92%. Meanwhile, credit spreads narrowed, with investment grade and high yield spreads approaching historically tight levels during the year.

The U.S. economy maintained a moderate pace of expansion as third quarter gross domestic product (GDP) increased 2.1%, driven by consumption and positive contributions from government spending and housing. Purchasing Managers' Index (PMI) dipped slightly as business confidence remains subdued amid rising costs. The labor market remained healthy as the unemployment rate held steady at 3.5%, maintaining the 50-year low achieved last fall. The low unemployment rate has still yet to impact inflation as the inflation rate was consistently low, with core Consumer Price Index (CPI) increasing 2.3% year-over-year.

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 NWQ Investment Management Company, LLC to act as a sub-advisor for the Fund.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc.

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 NWQ Flexible Income 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 NWQ Flexible Income Fund - Series A

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.30	9.40	9.29	9.29	9.92
Increase (decrease) from operations:					
Total revenue	0.51	0.53	0.55	0.50	0.63
Total expenses	(0.18)	(0.19)	(0.20)	(0.20)	(0.28)
Realized gains (losses) for the period	0.04	(0.54)	0.31	0.07	(1.90)
Unrealized gains (losses) for the period	0.88	(0.33)	(0.09)	0.20	1.38
Total increase (decrease) from operations⁽²⁾	1.25	(0.53)	0.57	0.57	(0.17)
Distributions:					
From income (excluding dividends)	(0.40)	(0.46)	(0.46)	(0.49)	(0.50)
From dividends	-	-	-	-	-
From capital gains	-	(0.09)	-	-	-
Return of capital	(0.05)	-	-	(0.01)	-
Total annual distributions⁽³⁾	(0.45)	(0.55)	(0.46)	(0.50)	(0.50)
Net asset value, end of period	9.08	8.30	9.40	9.29	9.29

Sun Life NWQ Flexible Income Fund - Series F

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.37	9.51	9.34	9.29	9.88
Increase (decrease) from operations:					
Total revenue	0.51	0.54	0.56	0.62	0.65
Total expenses	(0.13)	(0.13)	(0.14)	(0.15)	(0.21)
Realized gains (losses) for the period	0.04	(0.48)	0.28	(0.10)	(2.47)
Unrealized gains (losses) for the period	0.81	(0.47)	(0.01)	0.07	2.02
Total increase (decrease) from operations⁽²⁾	1.23	(0.54)	0.69	0.44	(0.01)
Distributions:					
From income (excluding dividends)	(0.40)	(0.54)	(0.46)	(0.49)	(0.50)
From dividends	-	-	-	-	-
From capital gains	-	(0.09)	-	-	-
Return of capital	(0.05)	-	-	(0.01)	-
Total annual distributions⁽³⁾	(0.45)	(0.63)	(0.46)	(0.50)	(0.50)
Net asset value, end of period	9.21	8.37	9.51	9.34	9.29

Sun Life NWQ Flexible Income Fund - Series I

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.94	10.07	9.82	9.65	10.14
Increase (decrease) from operations:					
Total revenue	0.56	0.57	0.60	0.57	0.59
Total expenses	(0.03)	(0.03)	(0.03)	(0.04)	(0.07)
Realized gains (losses) for the period	0.05	(0.49)	0.19	(0.10)	(1.02)
Unrealized gains (losses) for the period	0.80	(0.45)	(0.03)	0.23	0.23
Total increase (decrease) from operations⁽²⁾	1.38	(0.40)	0.73	0.66	(0.27)
Distributions:					
From income (excluding dividends)	(0.44)	(0.59)	(0.53)	(0.51)	(0.51)
From dividends	-	-	-	-	-
From capital gains	-	(0.09)	-	-	-
Return of capital	(0.06)	-	-	(0.01)	-
Total annual distributions⁽³⁾	(0.50)	(0.68)	(0.53)	(0.52)	(0.51)
Net asset value, end of period	9.93	8.94	10.07	9.82	9.65

Sun Life NWQ Flexible Income Fund - Series O

	2019	2018	2017	2016	2015
	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	8.37	9.55	9.29	9.16	9.65
Increase (decrease) from operations:					
Total revenue	0.51	0.54	0.56	0.55	0.62
Total expenses	(0.04)	(0.04)	(0.05)	(0.05)	(0.08)
Realized gains (losses) for the period	0.04	(0.56)	0.31	(0.22)	(2.04)
Unrealized gains (losses) for the period	0.86	(0.38)	(0.11)	0.27	1.46
Total increase (decrease) from operations⁽²⁾	1.37	(0.44)	0.71	0.55	(0.04)
Distributions:					
From income (excluding dividends)	(0.40)	(0.66)	(0.46)	(0.49)	(0.50)
From dividends	-	-	-	-	-
From capital gains	-	(0.09)	-	-	-
Return of capital	(0.05)	-	-	(0.01)	-
Total annual distributions⁽³⁾	(0.45)	(0.75)	(0.46)	(0.50)	(0.50)
Net asset value, end of period	9.31	8.37	9.55	9.29	9.16

⁽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 NWQ Flexible Income Fund - Series A

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	2,517,145	2,372,813	2,749,209	2,612,885	1,855,131
Number of units outstanding ⁽¹⁾	277,219	285,845	292,427	281,345	199,772
Management expense ratio (%) ⁽²⁾	1.70	1.71	1.71	1.72	1.71
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.70	1.71	1.71	1.72	1.71
Trading expense ratio (%) ⁽³⁾	0.03	0.03	0.03	0.04	0.22
Portfolio turnover rate (%) ⁽⁴⁾	42.53	38.10	29.25	30.20	221.53
Net asset value per unit (\$) ⁽¹⁾	9.08	8.30	9.40	9.29	9.29

Sun Life NWQ Flexible Income Fund

Sun Life NWQ Flexible Income Fund - Series F

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	464,659	209,025	89,495	114,545	85,407
Number of units outstanding ⁽¹⁾	50,446	24,975	9,411	12,264	9,195
Management expense ratio (%) ⁽²⁾	1.14	1.13	1.17	1.19	1.21
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.14	1.13	1.17	1.19	1.21
Trading expense ratio (%) ⁽³⁾	0.03	0.03	0.03	0.04	0.22
Portfolio turnover rate (%) ⁽⁴⁾	42.53	38.10	29.25	30.20	221.53
Net asset value per unit (\$) ⁽¹⁾	9.21	8.37	9.51	9.34	9.29

Sun Life NWQ Flexible Income Fund - Series I

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	473,192,955	164,917,316	292,672,367	123,159,819	66,050,329
Number of units outstanding ⁽¹⁾	47,644,183	18,441,823	29,072,081	12,543,412	6,844,721
Management expense ratio (%) ⁽²⁾	0.06	0.06	0.06	0.06	0.05
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.06	0.06	0.06	0.06	0.05
Trading expense ratio (%) ⁽³⁾	0.03	0.03	0.03	0.04	0.22
Portfolio turnover rate (%) ⁽⁴⁾	42.53	38.10	29.25	30.20	221.53
Net asset value per unit (\$) ⁽¹⁾	9.93	8.94	10.07	9.82	9.65

Sun Life NWQ Flexible Income Fund - Series O

	2019	2018	2017	2016	2015
Total net asset value (\$) ⁽¹⁾	686,002	554,020	567,413	439,577	266,177
Number of units outstanding ⁽¹⁾	73,700	66,166	59,399	47,299	29,064
Management expense ratio (%) ⁽²⁾	0.17	0.17	0.22	0.22	0.24
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.17	0.17	0.22	0.22	0.24
Trading expense ratio (%) ⁽³⁾	0.03	0.03	0.03	0.04	0.22
Portfolio turnover rate (%) ⁽⁴⁾	42.53	38.10	29.25	30.20	221.53
Net asset value per unit (\$) ⁽¹⁾	9.31	8.37	9.55	9.29	9.16

⁽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	1.35	29	71
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.

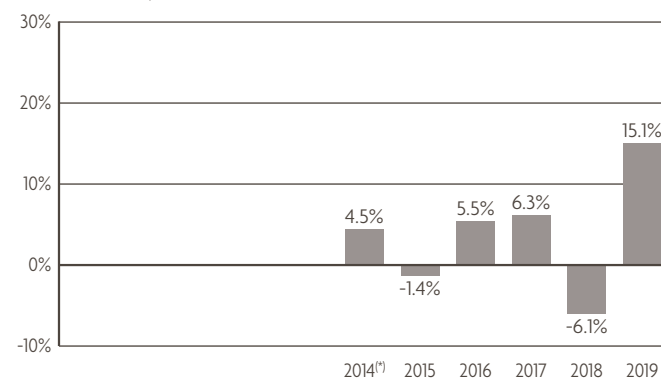
Past Performance

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.

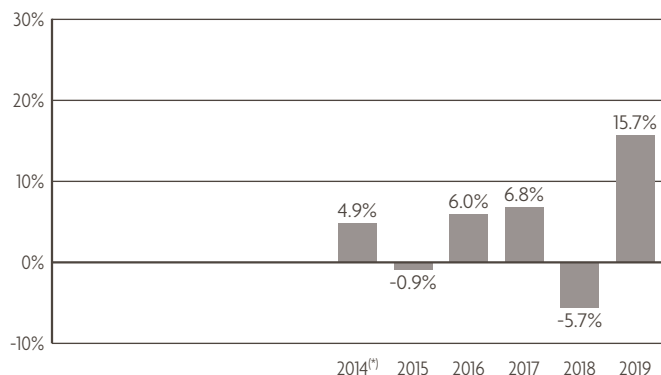
Series A Units – Annual return for the period ended December 31, 2019



^(*) for the period of February 3, 2014 to December 31, 2014.

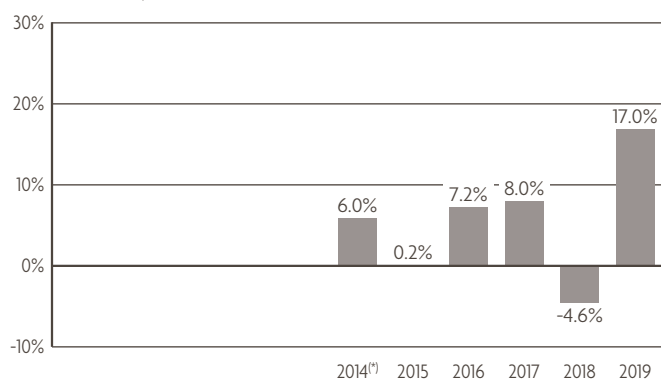
Sun Life NWQ Flexible Income Fund

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



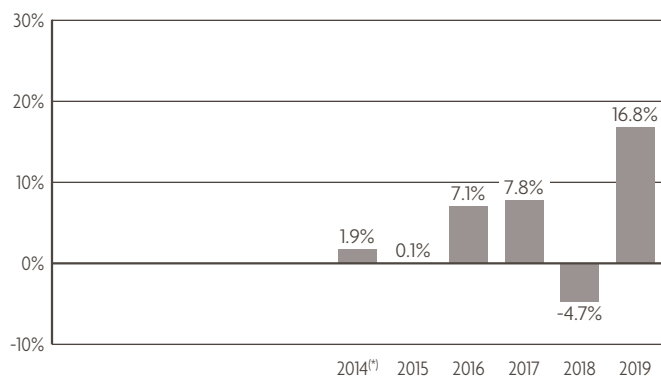
⁽¹⁾ for the period of February 3, 2014 to December 31, 2014.

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



⁽¹⁾ for the period of February 3, 2014 to December 31, 2014.

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, 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:
Bloomberg Barclays U.S. Aggregate Bond Index Hedged 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.

The following are the broad-based index or indices:

Broad-based index 1 - S&P 500 Index C\$

Broad-based index 2 - Bloomberg Barclays U.S. Aggregate Bond Index C\$

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾
Series A	15.1%	4.7%	3.6%	N/A	3.8%
Series F	15.7%	5.3%	4.1%	N/A	4.3%
Series I	17.0%	6.4%	5.3%	N/A	5.5%
Benchmark	7.9%	3.4%	2.7%	N/A	3.2%
Broad-based index 1	24.8%	14.0%	14.2%	16.0%	15.8%
Broad-based index 2	3.2%	2.9%	5.4%	6.0%	6.0%
Series O	16.8%	6.3%	5.2%	N/A	4.8%
Benchmark	7.9%	3.4%	2.7%	N/A	3.2%
Broad-based index 1	24.8%	14.0%	14.2%	16.0%	15.4%
Broad-based index 2	3.2%	2.9%	5.4%	6.0%	6.3%

⁽¹⁾ The performance start date for Series A units was February 3, 2014.

⁽²⁾ The performance start date for Series F units was February 3, 2014.

⁽³⁾ The performance start date for Series I units was February 3, 2014.

⁽⁴⁾ The performance start date for Series O units was April 1, 2014.

INDEX DESCRIPTION(S)

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities in the U.S. This index is hedged to the Canadian dollar.

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.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. This includes Treasuries, government-related and corporate securities, mortgage-backed securities, asset-backed securities and collateralized mortgage-backed securities in the U.S.

Sun Life NWQ Flexible Income Fund

Summary of Investment Portfolio*

as at December 31, 2019

Top 25 Investments

Holding Name	Percentage of Net Asset Value of the Fund (%)
1 Cash	4.7
2 Hewlett Packard Enterprise Co., 6.35%, Oct 15, 2045	2.3
3 Viacom Inc., 6.88%, Apr 30, 2036	2.1
4 Citigroup Inc., 6.25%, Dec 31, 2049	1.9
5 Nordstrom Inc., 5.00%, Jan 15, 2044	1.7
6 Emera Inc., 6.75%, Jun 15, 2076	1.6
7 General Motors Co., 6.60%, Apr 01, 2036	1.6
8 McDonald's Corp., 4.88%, Dec 09, 2045	1.5
9 Seagate HDD Cayman, 4.88%, Jun 01, 2027	1.5
10 Albertsons Cos LLC / Safeway Inc. / New Albertson's Inc., 6.63%, Jun 15, 2024	1.4
11 JPMorgan Chase & Co., 6.75%, Aug 29, 2049	1.4
12 Ally Financial Inc., 7.50%, Sep 15, 2020	1.4
13 PNC Financial Services Group Inc., 6.75%, Jul 29, 2049	1.4
14 Wells Fargo & Co.	1.3
15 Liberty Interactive LLC, 8.50%, Jul 15, 2029	1.3
16 MGM Growth Properties LLC	1.3
17 Sempra Energy	1.2
18 Broadcom Inc.	1.2
19 Phillips 66, 4.65%, Nov 15, 2034	1.2
20 Bristol-Myers Squibb Co.	1.2
21 HCA Inc., 7.50%, Feb 15, 2022	1.1
22 Nexstar Escrow Corp., 5.63%, Jul 15, 2027	1.1
23 Broadcom Corp. / Broadcom Cayman Finance Ltd., 3.88%, Jan 15, 2027	1.1
24 United Rentals North America Inc., 6.50%, Dec 15, 2026	1.1
25 CIT Group Inc., 6.13%, Mar 09, 2028	1.0
	38.6
Total Net Asset Value ('000's)	\$ 476,861

Sector Allocation

	Percentage of Net Asset Value of the Fund %
U.S. Corporate Bond	63.0
Financials	7.8
Utilities	6.3
Cash and Cash Equivalents**	5.9
Health Care	3.5
International Corporate Bond	3.0
Canadian Corporate Bond	2.1
Real Estate	1.9
Communication Services	1.4
Derivatives - Short	1.3
Information Technology	1.2
Consumer Staples	1.1
Energy	0.7
Industrials	0.7
Consumer Discretionary	0.1
	100.0

Asset Allocation

	Percentage of Net Asset Value of the Fund %
U.S. Fixed Income	63.0
U.S. Equities	19.2
Cash and Cash Equivalents**	5.9
International Equities	4.8
International Fixed Income	3.0
Canadian Fixed Income	2.1
Derivatives - Short	1.3
Canadian Equities	0.7
	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 NWQ Flexible Income 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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