
SLGI ASSET MANAGEMENT INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended December 31, 2021

Sun Life Schroder Emerging Markets Fund
(formerly Sun Life Excel Emerging Markets Fund)



Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can request a free copy of the annual financial statements by calling 1-877-344-1434, by sending an email to us at info@sunlifeglobalinvestments.com or by writing to us at SLGI Asset Management Inc., 1 York Street, Suite 3300, Toronto, Ontario, M5J 0B6. The financial statements are available on our website at www.sunlifeglobalinvestments.com and on SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

SLGI Asset Management Inc. (the "Manager") is an indirect wholly owned subsidiary of Sun Life Financial Inc.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

The fundamental investment objectives of the Sun Life Schroder Emerging Markets Fund (the "Fund") are to seek capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets.

The Fund's sub-advisor is Schroder Investment Management North America Inc. (the "Sub-Advisor"). The Fund's investment strategy is to invest using a combination of quantitative and fundamental models, seeking to add value from country decisions and stock selection. The Fund generally invests in equity securities of companies with a connection to countries other than those classified as "Developed" by MSCI. The Fund may also invest in companies that are not domiciled in emerging markets but derive a significant portion of their revenues or profits from, or hold a significant portion of their assets in, an emerging market country.

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 decreased from \$998.3 million to \$980.0 million due to negative performance, partially offset by positive net sales.

During the period, the Fund returned -7.4% for Series A securities, this result lagged the Fund's benchmark, MSCI Emerging Markets Index C\$, which returned -3.4%. Please refer to the 'Past Performance' section of this report for performance of each series.

In general, global market sentiment was positive early in the reporting period driven by optimism on coronavirus ("COVID-19") vaccination progress. The continued high level of financial aid from global governments helped with the momentum. However, emerging markets had a volatile year due to concerns around low vaccination rates and rising inflation. Investors worried about slowing global growth due to rising cases of new COVID-19 variants. The U.S. Federal Reserve also began to phase out its bond-purchasing program, which weighed on the emerging markets. Government policies and possible financial system risks in China added to emerging market weakness. Few emerging markets central banks raised interest rates in response to rising inflation. The strong rise in crude oil prices aided many emerging market countries.

Stock selection in Financials detracted from performance. An overweight position in Itau Unibanco Holding SA detracted from performance. The stock price came down due to concerns around the Brazilian economy and political uncertainty. An overweight position in Ping An Insurance (Group) Co. of China Ltd. detracted from performance. The company saw an increase in health and life insurance claims due to the pandemic. The company also saw lower demand for automobile and property insurance. An underweight position in Industrials detracted from performance. An overweight position in LG Chem Ltd. detracted from performance. The company announced they would spin off the electric vehicle battery making unit.

An overweight position in Information Technology contributed to performance. An overweight position in MediaTek Inc. contributed to performance. The semiconductor company saw growth in revenue and income due to strong demand. An overweight position and stock selection in Health Care contributed to performance. An overweight position in Aspen Pharmacare Holdings Ltd. contributed to performance. The company benefitted from COVID-19 vaccine manufacturing and from lower debt. Stock selection in Real Estate contributed to performance. An overweight position in Emaar Properties PJSC contributed to performance. The company saw strong demand for Real Estate property, leading to an increase in revenues.

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

Recent Developments

Global equity markets went up after the arrival of COVID-19 vaccines in 2021. Billions of dollars of stimulus spending by governments worldwide also helped fuel the stock markets. Central banks around the world lowered or kept their benchmark interest rates low to aid the economic recovery. However, reasons for caution have not gone away. The market turned volatile during the second half of the year. Investors shifted their attention to challenges facing COVID-19. The concerns included the Delta and Omicron variants of COVID-19. The rising cases weighed on the stock markets. The Manager cautioned a slowdown in global growth pending the COVID-19 variant infection rates. Supply chain disruption, rising inflation and the expected tapering of bond purchases in 2022 were also top concerns.

The sub-advisor relies on in-depth research, investment horizon, and risk management to manage the Fund. They integrate Environmental, Social and Governance (ESG) factors, spanning ESG risks and opportunities, into the overall investment process for the Fund. They strive to consider proxy voting policies and actively engage with companies on ESG-oriented issues.

Effective July 14, 2021, the Fund updated its investment strategies to include ESG factors. The Manager believes ESG factors can influence an investment's performance.

Effective July 14, 2021, the Fund changed its name from Sun Life Excel Emerging Markets Fund to Sun Life Schroder Emerging Markets Fund. The Manager has built trusted partnerships with its sub-advisors who are chosen after a rigorous selection process, ensuring that they are the right asset managers for our mandates. A new name has been selected for the Fund to better reflect the Manager's relationships with sub-advisor. The mandate of the Fund has not changed.

The Manager stopped offering the deferred sales charge ("DSC") and low load sales charge ("LL") purchase options on securities of the Fund. This change took place after the close of business on or about November 26, 2021. After November 26, 2021, all DSC and LL purchase options are closed to purchases, including purchases made through systematic plans such as pre-authorized chequing plans. Securities purchased under the DSC and LL purchase options on or prior to November 26, 2021 may continue to be held in investor accounts. Switching securities between Funds held under the DSC or LL purchase option will continue to be permitted. The Manager is implementing these changes in anticipation of regulatory changes mandated by the Canadian securities regulatory authorities ending the sale of DSC and LL purchase options across all Canadian jurisdictions that takes effect on June 1, 2022. For any impacted systematic plans that invested into DSC or LL purchase options, new instructions were provided on or before November 26, 2021. Without new instructions, these systematic plans would be terminated after November 26, 2021. Effective on or before March 31, 2022, the Manager will no longer pay trailing commissions to dealers that do not make suitability determinations (the "Impacted Dealers"), such as Order Execution Only dealers. The Manager is implementing this change in anticipation of the regulatory requirement mandated by the Canadian securities regulatory authorities to end the payment of trailing commissions to Impacted Dealers that takes effect on June 1, 2022. Effective on or before March 31, 2022, accounts at Impacted Dealers will only be permitted to purchase or hold securities of Series F, Series F5, Series FT5, Series F8, Series FT8, Series FH, Series IS, Series O and Series OH securities of the fund.

On 24 February 2022, Russia launched a large-scale military invasion of Ukraine. Russian markets were subsequently suspended. Various international sanctions have been levied against Russia. The broader impact to the region and around the world is still unfolding. The Manager cautions that the current global uncertainty with respect to this military invasion and its effect on the broader global economy may have a significant impact to the volatility of financial markets. While the precise impacts remain unknown, continued military conflict may have a material adverse effect on global economic activity. This could disrupt global supply chains, operations, and mobility of people. This also could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, results of operations and other factors relevant to Fund performance. As at December 31, 2021 the Fund held 6.2% of its total net asset value in Russian securities.

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

Related Party Transactions

SLGI Asset Management Inc. is the manager, trustee and portfolio manager of the Fund. For its services, the Manager receives a management fee that is calculated as a percentage of the average net asset value of the Fund. This fee is calculated daily and payable monthly.

The Manager is responsible for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Fund.

As trustee, the Manager holds legal title to the Fund's investments in trust for securityholders.

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained Schroder Investment Management North America Inc. to act as a sub-advisor for the Fund.

This Fund may have direct or indirect holdings in Sun Life Financial Inc. or its affiliates or other funds managed by the Manager or its affiliates. Funds managed by the Manager, or its affiliates, may invest in securities of this fund.

Fees and expenses payable to or in connection with the Sun Life Funds' Independent Review Committee ("IRC") are allocated to the series to which they apply in a manner that, in the Manager's view, is considered fair and reasonable. The amounts of these charges are disclosed in the line item "Independent review committee fees" in the Fund's Statements of Comprehensive Income (Loss).

The Manager has a distribution agreement with Sun Life Financial Investment Services (Canada) Inc. (the "Dealer"), a company under common control under which the Dealer may distribute securities of the funds offered by the Manager in the jurisdictions in which the Dealer is so authorized.

Fund Administrative Expenses

The Manager pays certain operating expenses of the Fund (the "Administration Expenses") in return for a fixed administration fee paid to the Manager by the Fund ("Administration Fee"). The Administration Fee is based on the net asset value of each series of securities of the Fund. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including 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 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 securities of the Fund to which they apply. The Fund Costs that are specific to a series of securities are allocated to that series. These amounts are paid out of the assets attributed to each series of securities of the Fund, which reduces the return you may receive.

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets 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, 2021.

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

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series A

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) | 2017 (\$) |
|----------------------------------------------------------------|---------------|--------------|--------------|---------------|--------------|
| Net asset value, beginning of period | 13.68 | 11.52 | 10.10 | 11.13 | 8.61 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.32 | 0.22 | 0.36 | 0.32 | 0.25 |
| Total expenses | (0.41) | (0.35) | (0.73) | (0.79) | (1.46) |
| Realized gains (losses) for the period | 1.28 | 0.44 | 0.07 | (0.07) | 0.30 |
| Unrealized gains (losses) for the period | (2.17) | 2.36 | 1.71 | (1.45) | 3.38 |
| Total increase (decrease) from operations⁽²⁾ | (0.98) | 2.67 | 1.41 | (1.99) | 2.47 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.17) | - | - | (0.01) | - |
| From capital gains | (0.71) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (0.88) | - | - | (0.01) | - |
| Net asset value, end of period | 11.82 | 13.68 | 11.52 | 10.10 | 11.13 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series DB

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) |
|----------------------------------------------------------------|---------------|--------------|---------------|---------------|
| Net asset value, beginning of period | 12.31 | 10.29 | 9.00 | 10.00 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.29 | 0.20 | 0.32 | 0.15 |
| Total expenses | (0.26) | (0.20) | (0.45) | (0.28) |
| Realized gains (losses) for the period | 1.18 | 0.16 | 0.07 | (0.05) |
| Unrealized gains (losses) for the period | (1.71) | 1.34 | 1.47 | (0.80) |
| Total increase (decrease) from operations⁽²⁾ | (0.50) | 1.50 | 1.41 | (0.98) |
| Distributions: | | | | |
| From income (excluding dividends) | - | - | - | - |
| From dividends | (0.19) | - | (0.06) | - |
| From capital gains | (0.66) | - | - | - |
| Return of capital | - | - | - | - |
| Total annual distributions⁽³⁾ | (0.85) | - | (0.06) | - |
| Net asset value, end of period | 10.67 | 12.31 | 10.29 | 9.00 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series F

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) | 2017 (\$) |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net asset value, beginning of period | 14.57 | 12.17 | 10.66 | 11.73 | 9.04 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.35 | 0.23 | 0.37 | 0.33 | 0.25 |
| Total expenses | (0.28) | (0.23) | (0.45) | (0.49) | (1.00) |
| Realized gains (losses) for the period | 1.30 | 0.39 | 0.07 | (0.10) | 0.36 |
| Unrealized gains (losses) for the period | (2.44) | 2.06 | 1.67 | (1.77) | 2.81 |
| Total increase (decrease) from operations⁽²⁾ | (1.07) | 2.45 | 1.66 | (2.03) | 2.42 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.25) | (0.05) | (0.11) | (0.13) | (0.08) |
| From capital gains | (0.79) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (1.04) | (0.05) | (0.11) | (0.13) | (0.08) |
| Net asset value, end of period | 12.64 | 14.57 | 12.17 | 10.66 | 11.73 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series I

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) | 2017 (\$) |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net asset value, beginning of period | 15.03 | 12.54 | 10.97 | 12.03 | 9.18 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.36 | 0.26 | 0.38 | 0.33 | 0.27 |
| Total expenses | (0.09) | (0.07) | (0.03) | (0.03) | (0.05) |
| Realized gains (losses) for the period | 1.42 | 0.38 | 0.09 | 0.08 | 0.34 |
| Unrealized gains (losses) for the period | (2.54) | 2.59 | 1.55 | (1.36) | 2.40 |
| Total increase (decrease) from operations⁽²⁾ | (0.85) | 3.16 | 1.99 | (0.98) | 2.96 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.29) | (0.23) | (0.29) | (0.25) | (0.17) |
| From capital gains | (0.75) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (1.04) | (0.23) | (0.29) | (0.25) | (0.17) |
| Net asset value, end of period | 13.26 | 15.03 | 12.54 | 10.97 | 12.03 |

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series IS

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) |
|----------------------------------------------------------------|---------------|---------------|--------------|---------------|
| Net asset value, beginning of period | 12.57 | 10.50 | 9.08 | 10.00 |
| Increase (decrease) from operations: | | | | |
| Total revenue | 0.30 | 0.21 | 0.34 | 0.19 |
| Total expenses | (0.20) | (0.17) | (0.30) | (0.18) |
| Realized gains (losses) for the period | 1.29 | 0.31 | 0.13 | (0.02) |
| Unrealized gains (losses) for the period | (1.89) | 1.74 | 1.45 | (1.62) |
| Total increase (decrease) from operations⁽²⁾ | (0.50) | 2.09 | 1.62 | (1.63) |
| Distributions: | | | | |
| From income (excluding dividends) | - | - | - | - |
| From dividends | (0.22) | (0.08) | - | - |
| From capital gains | (0.62) | - | - | - |
| Return of capital | - | - | - | - |
| Total annual distributions⁽³⁾ | (0.84) | (0.08) | - | - |
| Net asset value, end of period | 10.99 | 12.57 | 10.50 | 9.08 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series O

| | 2021 (\$) | 2020 (\$) | 2019 (\$) | 2018 (\$) | 2017 (\$) |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Net asset value, beginning of period | 17.91 | 14.95 | 13.08 | 14.35 | 10.94 |
| Increase (decrease) from operations: | | | | | |
| Total revenue | 0.43 | 0.29 | 0.47 | 0.39 | 0.31 |
| Total expenses | (0.12) | (0.10) | (0.08) | (0.08) | (0.13) |
| Realized gains (losses) for the period | 1.65 | 0.40 | 0.09 | 0.11 | 0.40 |
| Unrealized gains (losses) for the period | (3.23) | 2.22 | 1.66 | (1.73) | 2.99 |
| Total increase (decrease) from operations⁽²⁾ | (1.27) | 2.81 | 2.14 | (1.31) | 3.57 |
| Distributions: | | | | | |
| From income (excluding dividends) | - | - | - | - | - |
| From dividends | (0.34) | (0.26) | (0.33) | (0.28) | (0.19) |
| From capital gains | (0.86) | - | - | - | - |
| Return of capital | - | - | - | - | - |
| Total annual distributions⁽³⁾ | (1.20) | (0.26) | (0.33) | (0.28) | (0.19) |
| Net asset value, end of period | 15.84 | 17.91 | 14.95 | 13.08 | 14.35 |

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

⁽²⁾ Net Assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the financial period.

⁽³⁾ Distributions were paid in cash, reinvested in additional securities of the Fund, or both.

Ratios and Supplemental Data

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series A

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------------------------------------------|--------|--------|--------|--------|-------|
| Total net asset value (\$000s) ⁽¹⁾ | 53,482 | 62,417 | 40,530 | 44,071 | 3,307 |
| Number of securities outstanding (000s) ⁽¹⁾ | 4,525 | 4,562 | 3,518 | 4,361 | 297 |
| Management expense ratio (%) | 2.49 | 2.54 | 2.56 | 2.52 | 2.92 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 2.49 | 2.54 | 2.56 | 2.52 | 2.92 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 | 30.98 |
| Net asset value per security (\$) ⁽¹⁾ | 11.82 | 13.68 | 11.52 | 10.10 | 11.13 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series DB

| | 2021 | 2020 | 2019 | 2018 |
|--------------------------------------------------------------------------|-------|-------|-------|-------|
| Total net asset value (\$000s) ⁽¹⁾ | 24 | 38 | 76 | 80 |
| Number of securities outstanding (000s) ⁽¹⁾ | 2 | 3 | 7 | 9 |
| Management expense ratio (%) | 1.73 | 1.74 | 1.75 | 1.81 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 1.73 | 1.74 | 1.75 | 1.81 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 |
| Net asset value per security (\$) ⁽¹⁾ | 10.67 | 12.31 | 10.29 | 9.00 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series F

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------------------------------------------|--------|--------|--------|--------|-------|
| Total net asset value (\$000s) ⁽¹⁾ | 15,981 | 14,116 | 12,222 | 11,870 | 166 |
| Number of securities outstanding (000s) ⁽¹⁾ | 1,265 | 969 | 1,004 | 1,114 | 14 |
| Management expense ratio (%) | 1.40 | 1.45 | 1.47 | 1.46 | 1.86 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 1.40 | 1.45 | 1.47 | 1.46 | 1.86 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 | 30.98 |
| Net asset value per security (\$) ⁽¹⁾ | 12.64 | 14.57 | 12.17 | 10.66 | 11.73 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series I

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Total net asset value (\$000s) ⁽¹⁾ | 909,060 | 920,068 | 719,591 | 537,294 | 384,198 |
| Number of securities outstanding (000s) ⁽¹⁾ | 68,556 | 61,229 | 57,398 | 48,977 | 31,933 |
| Management expense ratio (%) | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 0.06 | 0.06 | 0.06 | 0.06 | 0.06 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 | 30.98 |
| Net asset value per security (\$) ⁽¹⁾ | 13.26 | 15.03 | 12.54 | 10.97 | 12.03 |

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series IS

| | 2021 | 2020 | 2019 | 2018 |
|--------------------------------------------------------------------------|-------|-------|-------|-------|
| Total net asset value (\$000s) ⁽¹⁾ | 313 | 641 | 588 | 2,124 |
| Number of securities outstanding (000s) ⁽¹⁾ | 28 | 51 | 56 | 234 |
| Management expense ratio (%) | 1.11 | 1.13 | 1.13 | 1.13 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 1.11 | 1.13 | 1.13 | 1.13 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 |
| Net asset value per security (\$) ⁽¹⁾ | 10.99 | 12.57 | 10.50 | 9.08 |

Sun Life Schroder Emerging Markets Fund (formerly Sun Life Excel Emerging Markets Fund) - Series O

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--------------------------------------------------------------------------|-------|-------|-------|-------|-------|
| Total net asset value (\$000s) ⁽¹⁾ | 1,180 | 1,057 | 1,091 | 972 | 598 |
| Number of securities outstanding (000s) ⁽¹⁾ | 74 | 59 | 73 | 74 | 42 |
| Management expense ratio (%) | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 |
| Management expense ratio before waivers or absorption (%) ⁽²⁾ | 0.17 | 0.17 | 0.17 | 0.17 | 0.17 |
| Trading expense ratio (%) ⁽³⁾ | 0.16 | 0.17 | 0.18 | 0.15 | 0.15 |
| Portfolio turnover rate (%) ⁽⁴⁾ | 60.34 | 69.81 | 60.15 | 37.35 | 30.98 |
| Net asset value per security (\$) ⁽¹⁾ | 15.84 | 17.91 | 14.95 | 13.08 | 14.35 |

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

Management Fees

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

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

| | Maximum Annual Management Fee Rate (%) | As a Percentage of Management Fees | |
|------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------------------------|
| | | Dealer Compensation (%) ⁽¹⁾ | General Administration, Investment Advice and Profit (%) |
| Series A Securities | 2.10 | 43 | 57 |
| Series DB Securities | 1.40 | 16 | 84 |
| Series F Securities | 1.10 | - | 100 |
| Series I Securities ⁽⁴⁾ | - | - | 100 |
| Series IS Securities | 0.85 | - | 100 |
| Series O Securities ⁽¹⁾ | 1.10 | - | 100 |

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

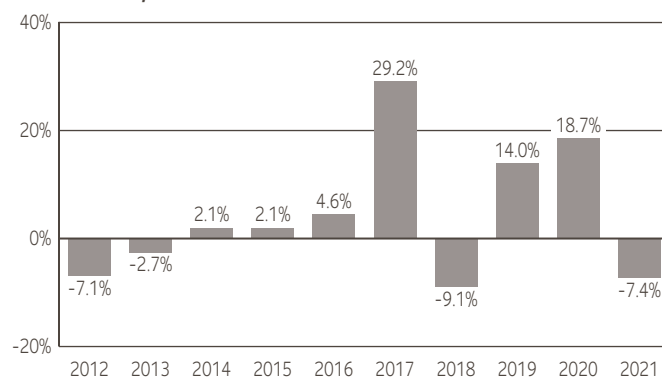
Past Performance

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

Year-by-Year Returns

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

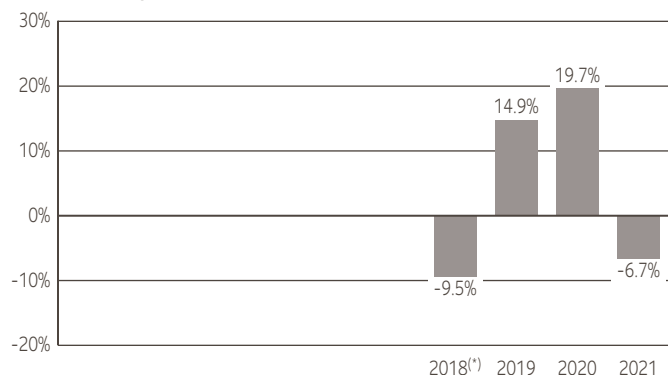
Series A Securities – Annual return for the period ended December 31, 2021



Sun Life Schroder Emerging Markets Fund

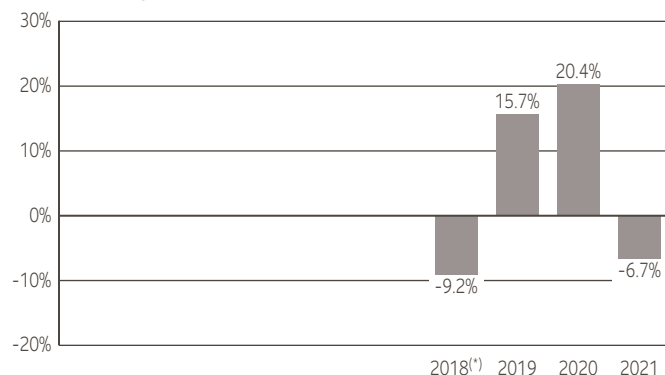
(formerly Sun Life Excel Emerging Markets Fund)

Series DB Securities – Annual return for the period ended December 31, 2021



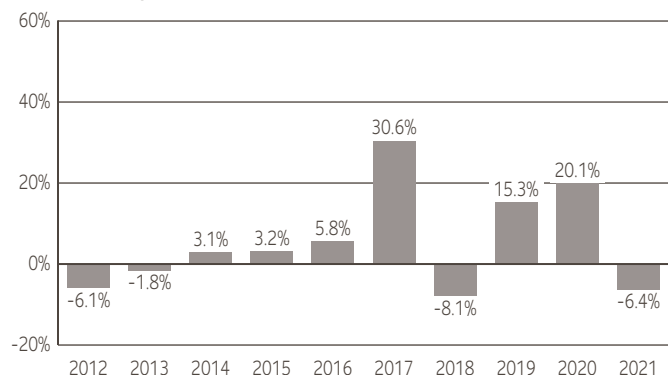
^(*) for the period of June 15, 2018 to December 31, 2018.

Series IS Securities – Annual return for the period ended December 31, 2021

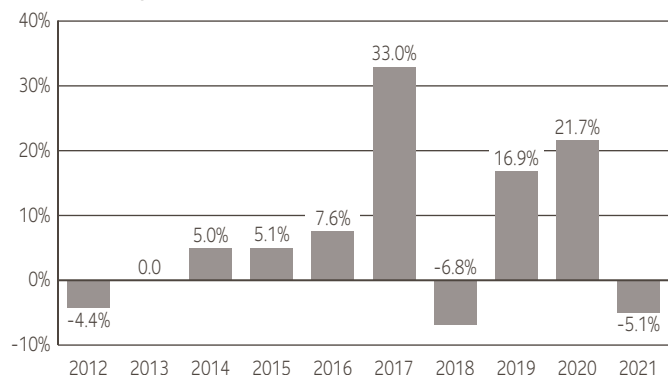


^(*) for the period of June 15, 2018 to December 31, 2018.

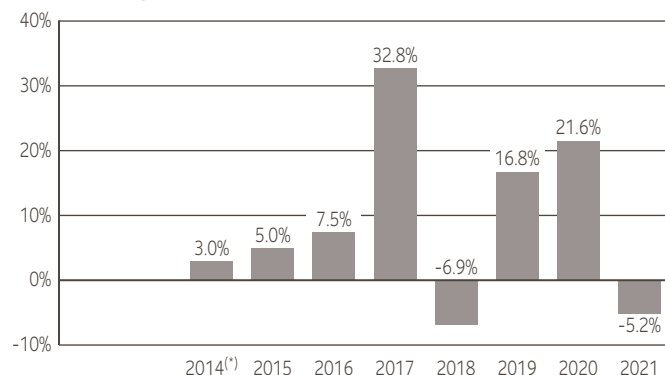
Series F Securities – Annual return for the period ended December 31, 2021



Series I Securities – Annual return for the period ended December 31, 2021



Series O Securities – Annual return for the period ended December 31, 2021



^(*) 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, DB, F, I, IS and O securities of the Fund with the following benchmark and broad-based index, if applicable:

The benchmark (the "Benchmark") is composed of:
MSCI Emerging Markets Index C\$

The Series A securities underperformed the benchmark over the past ten years, over the past five years, over the past three years, and over the past year.

Sun Life Schroder Emerging Markets Fund

(formerly Sun Life Excel Emerging Markets Fund)

A discussion of the Fund's performance compared to its benchmark and broad-based index or indices, if applicable, can be found in the Results of Operations section.

| | Performance | | | | |
|-----------|-------------|--------|--------|---------|------------------------------------------|
| | 1 Year | 3 Year | 5 Year | 10 Year | Start Date ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ |
| Series A | (7.4)% | 7.8% | 8.1% | 3.8% | 2.4% |
| Benchmark | (3.4)% | 8.1% | 8.6% | 7.8% | 6.8% |
| Series DB | (6.7)% | 8.7% | N/A | N/A | 4.3% |
| Benchmark | (3.4)% | 8.1% | 8.6% | 7.8% | 4.1% |
| Series F | (6.4)% | 9.0% | 9.2% | 4.9% | 3.5% |
| Series I | (5.1)% | 10.5% | 10.9% | 6.6% | 5.2% |
| Benchmark | (3.4)% | 8.1% | 8.6% | 7.8% | 6.8% |
| Series IS | (6.7)% | 9.1% | N/A | N/A | 4.8% |
| Benchmark | (3.4)% | 8.1% | 8.6% | 7.8% | 4.1% |
| Series O | (5.2)% | 10.4% | 10.7% | N/A | 8.9% |
| Benchmark | (3.4)% | 8.1% | 8.6% | 7.8% | 7.1% |

⁽¹⁾ The performance start date for Series A securities was September 1, 2011.

⁽²⁾ The performance start date for Series F securities was September 1, 2011.

⁽³⁾ The performance start date for Series IS securities was June 15, 2018.

⁽⁴⁾ The performance start date for Series DB securities was June 15, 2018.

⁽⁵⁾ The performance start date for Series I securities was September 1, 2011.

⁽⁶⁾ The performance start date for Series O securities was April 1, 2014.

INDEX DESCRIPTION(S)

The MSCI Emerging Markets Index is a free float-adjusted market capitalization weighted index that is designed to capture large and mid cap representation across 26 Emerging Markets (EM) countries.

Summary of Investment Portfolio *

as at December 31, 2021

Top 25 Investments

| Holding Name | Percentage of Net Asset Value of the Fund (%) |
|------------------------------------------------|-----------------------------------------------|
| 1 Taiwan Semiconductor Manufacturing Co., Ltd. | 8.7 |
| 2 Samsung Electronics Co., Ltd. | 6.4 |
| 3 Tencent Holdings Ltd. | 5.8 |
| 4 MediaTek Inc. | 3.0 |
| 5 Cash and Cash Equivalents | 2.7 |
| 6 Alibaba Group Holding Ltd. | 2.4 |
| 7 ICICI Bank Ltd. | 2.0 |
| 8 AIA Group Ltd. | 1.8 |
| 9 NovaTek OAO | 1.7 |
| 10 SK Hynix Inc. | 1.6 |
| 11 Media Group Co., Ltd. | 1.6 |
| 12 Itau Unibanco Holding SA, ADR | 1.5 |
| 13 Tata Consultancy Services Ltd. | 1.4 |
| 14 Hon Hai Precision Industry Co., Ltd. | 1.4 |
| 15 Rosneft Oil Co., PJSC | 1.4 |
| 16 HDFC Bank Ltd. | 1.3 |
| 17 Alibaba Group Holding Ltd., ADR | 1.3 |
| 18 FirstRand Ltd. | 1.3 |
| 19 Naver Corp. | 1.2 |
| 20 China Mengniu Dairy Co., Ltd. | 1.2 |
| 21 Great Wall Motor Co Ltd. | 1.2 |
| 22 Samsung SDI Co., Ltd. | 1.2 |
| 23 ASE Industrial Holding Co., Ltd. | 1.1 |
| 24 LONGi Green Energy Technology Co. Ltd. | 1.1 |
| 25 JD.com Inc., ADR | 1.1 |
| | 55.4 |
| Total Net Asset Value (000s) | \$ 980,039 |

Sector Allocation

| | Percentage of Net Asset Value of the Fund (%) |
|-------------------------------|-----------------------------------------------|
| Information Technology | 27.4 |
| Financials | 21.3 |
| Consumer Discretionary | 15.9 |
| Communication Services | 10.7 |
| Energy | 5.3 |
| Materials | 5.0 |
| Consumer Staples | 5.0 |
| Health Care | 2.7 |
| Cash and Cash Equivalents | 2.7 |
| Industrials | 1.7 |
| Real Estate | 1.2 |
| Utilities | 0.9 |
| Other Assets less Liabilities | 0.2 |
| | 100.0 |

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Geographic Allocation

| | Percentage of Net Asset Value of the Fund (%) |
|-------------------------------|-----------------------------------------------------|
| Other | 21.5 |
| Cayman Islands | 16.3 |
| Taiwan | 16.1 |
| Korea | 14.6 |
| India | 8.4 |
| China | 7.7 |
| Brazil | 6.3 |
| Russia | 6.2 |
| Cash and Cash Equivalents | 2.7 |
| Other Assets less Liabilities | 0.2 |
| | 100.0 |

(*) All information is as at December 31, 2021. 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.

Forward-Looking Statements

This management report of fund performance may contain forward-looking statements about the Fund, including its strategies, results of operations, performance and condition. Forward-looking statements include statements that are predictive in nature, or that depend upon or refer to future events or conditions. They are based on current beliefs, expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and various economic factors. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, technological changes, changes in government regulations or in tax laws and pandemics. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective", and similar expressions are intended to identify forward-looking statements. The Manager does not undertake any obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this document or to reflect new information or the occurrence of unanticipated events, except as required by law.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Sun Life Schroder Emerging Markets Fund
(formerly Sun Life Excel Emerging Markets Fund)

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



Sun Life
Global Investments