

Sun Life Financial to Acquire Majority Stake in Bentall GreenOak

*Combining the strengths of two
leading and globally respected real
estate investment managers to
bring Clients a broader range of
investment solutions*



GREENOAK

December 19, 2018



TRANSACTION SUMMARY

DESCRIPTION

- Sun Life will merge Bentall Kennedy with GreenOak Real Estate (“GreenOak”), and acquire a majority stake in the combined entity that will be named Bentall GreenOak (“BGO”)
 - BGO will have pro forma real estate assets under management of \$38 billion (US\$28 billion)¹
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TRANSACTION STRUCTURE

- Sun Life will own 56% of BGO as a result of an upfront cash payment of \$195 million (US\$146 million) to GreenOak shareholders and merging Bentall Kennedy with GreenOak
 - Sun Life Financial will have the option to acquire full ownership approximately seven years after closing
 - Sun Life will acquire the right to a portion of the GreenOak shareholders’ share of BGO earnings in exchange for a fixed amount to be paid in quarterly installments
 - The transaction will be accretive to underlying earnings per share by C\$0.04 in 2019²
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CLOSING CONDITIONS

- Subject to customary closing conditions, including regulatory approvals
- Expected to close in the first half of 2019

¹ Pro forma based on Q3 2018. Excludes Sun Life Financial General Account real estate assets managed by Sun Life Investment Management of approximately \$24 billion.

² Accretion amount represents estimated full year impact. Actual accretion will be subject to a number of factors, including the anticipated timing of the closing of the transaction. See “Forward-looking information” in the appendix to these slides.

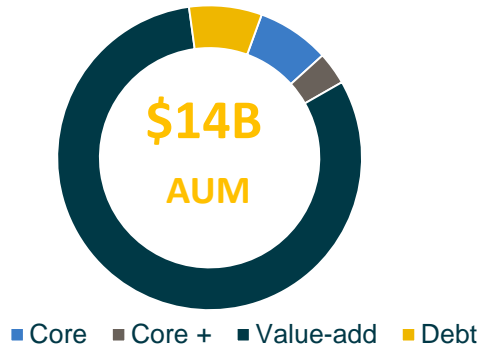
A GLOBAL REAL ESTATE INVESTMENT MANAGEMENT & ADVISORY FIRM

GREENOAK

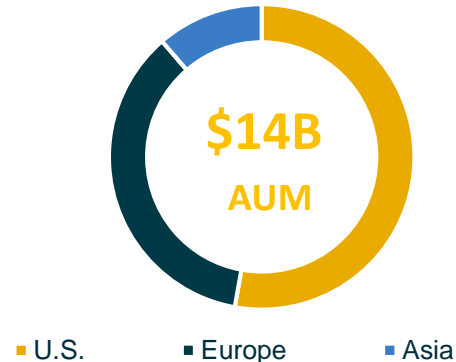
Overview of GreenOak Real Estate

- Global real estate manager with \$14 billion (US\$11 billion) in assets under management (“AUM”), offering value add, core plus, separate account and debt strategies^{1,3}
- Serves nearly 250 Clients across 3 continents. More than 100 employees across 9 offices globally
- Top 10 private equity/real estate managers in PERE 50 ranking²
- Seasoned management team with an average of over 25 years of global real estate experience

AUM BY STRATEGY^{1,3}



AUM BY GEOGRAPHY³



¹ Value add and core plus strategies typically involve properties that have in-place cash flows, but have the potential to increase those cash flows over time by making improvements to, or repositioning the property

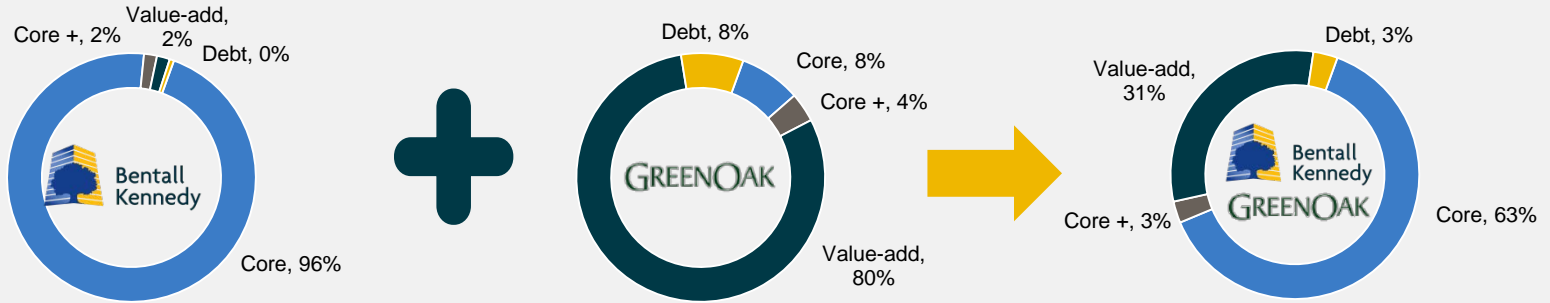
² The annual PERE 50 ranking measures private equity real estate firms by equity raised over the last five-year period. For this year's ranking, the relevant period runs from January 1, 2013 to end of March 2018

³ AUM as of September 30, 2018

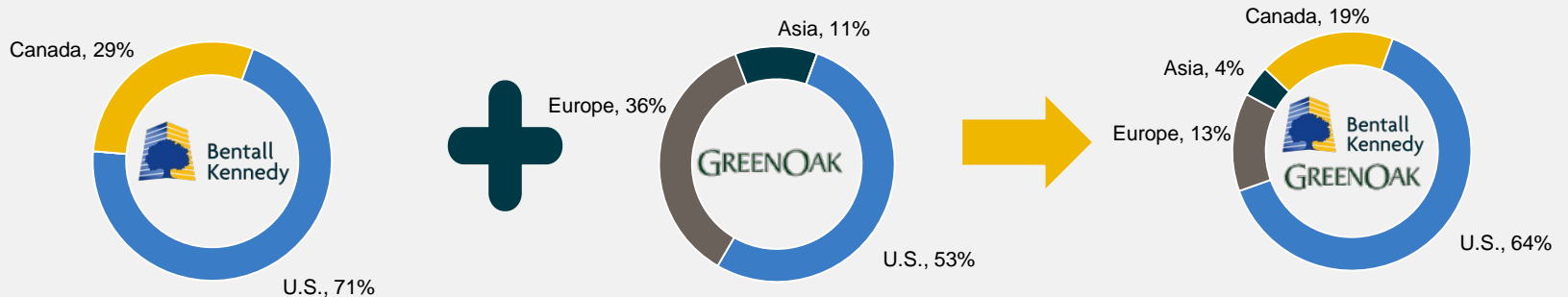
COMPLEMENTARY OPERATIONS, EXPANDED CAPABILITIES, GLOBAL REACH

- Establishes a global real estate platform with \$38 billion (US\$28 billion) in assets under management and 700+ Clients
- Expands product suite into closed-end real estate products (value add and core plus)
- Greater diversification across geographies within U.S., Europe and Asia
- Responding to Client demand for global strategies across asset classes and geographies

AUM by Strategy



AUM by Geography



STRONG ALIGNMENT AND FOCUS ON GROWTH

Transaction is directly on strategy, builds on existing capabilities, and grows and diversifies our asset management pillar by positioning ourselves in large and growing markets

Established Presence in Real Estate

- Products and geographic presence are complementary with Bentall Kennedy
- Strong brand recognition and investment performance for Clients in U.S., Europe and Asia
- Builds on changing Client preferences to source different real estate strategies and geographies from the same firm

Strong Alignment of Interests

- Transaction structure aligns interest of current owners with Sun Life
- Management ownership stake maintains continuity of investment professionals
- Investment teams and processes remain intact
- Co-investment and seed opportunities provide strong alignment with Clients
- Senior management of Bentall GreenOak will include executives from both Bentall Kennedy and GreenOak

KEY FINANCIAL METRICS⁽¹⁾

Accretion (full year): 2019 estimated underlying EPS 2019 estimated underlying ROE	\$0.04 60 bps
Upfront consideration for 56% of Bentall GreenOak	\$195 million (US\$146 million) in cash; Contribution of Bentall Kennedy to BGO (44% of BGO will be owned by GreenOak shareholders)
Transaction multiple	12x estimated 2019 EBITDA
Reduction in common shareholders' equity	~\$730 million (US\$550 million)
Impact on financial leverage	~60 bps increase
Impact on LICAT ratio of Sun Life Financial Inc.	1 point decrease

(1) Represents the estimated impact on close of the transaction. Canadian dollar impacts will be subject to exchange rates at the time of the close of the transaction. Accretion amounts represent estimated full year impacts. Actual accretion will be subject to a number of factors, including the anticipated timing of the closing of the transaction. See "Forward-looking information" in the appendix to these slides.

APPENDIX – BENTALL GREENOAK BIOGRAPHIES

Gary Whitelaw

Gary Whitelaw is CEO of the Bentall Kennedy group of companies. He joined Bentall in 1998 as President and Chief Executive Officer of Bentall's Investment Management group (formerly called Penreal Capital Management) and has led the company through two decades of growth and change. Gary sits on the boards of all Bentall Kennedy entities and client funds, and is responsible for the performance and governance of all operating and investment groups. Gary also serves as board chair of NewTower Trust Company.

Prior to joining Bentall Kennedy, Gary held progressively more senior executive positions in several public and private real estate operating, investment and development companies active in Canada and the US. He also practiced as an Architect for several years at the outset of his career.

Gary holds a degree in architecture from McGill University and an MBA from Harvard Business School. He is past Chair of the Board of REALpac - Real Property Association of Canada and is a past director of the National Association of Real Estate Investment Managers. Gary is also a frequent speaker and panelist at industry conferences in both the U.S. and Canada.



Sonny Kalsi

Sonny Kalsi is a Founder and Partner of GreenOak, based in New York. Sonny has oversight responsibility for GreenOak's U.S. and Asian businesses and is a member of the firm's investment committees globally.

Sonny was previously the Global Co-Head of Morgan Stanley's Real Estate Investing (MSREI) business and President of the Morgan Stanley Real Estate (MSRE) funds until his departure from the firm in early 2009. At its peak, the MSREI platform had approximately \$100 billion of assets under management in 33 countries. Sonny has been named one of the 20 most influential people in private real estate from the past decade by PERE. Most recently, Sonny and GreenOak received recognition as a finalist for Ernst & Young's Entrepreneur of the Year.

Sonny is a graduate of Georgetown University and a former member of its Board of Regents. Additionally, Sonny serves on the boards of the following organizations: the Hirshhorn Museum, PowHerFul Foundation, Teaching Matters, Room to Read and the Asia Society. He is also a trustee of both PREA and the PREA Foundation.



John Carrafiell

John Carrafiell is a Founder and Partner of GreenOak, based in London. John has oversight responsibility for GreenOak's European businesses. He is a member of the firm's investment committees globally.

During his 30-year career in real estate in London and Europe, John has led what are arguably some of the most transformational investments and transactions in the region. He was previously Global Co-Head of Morgan Stanley Real Estate (MSRE), which had \$100 billion in assets under management, was active in over 33 countries, and encompassed both principal investing and investment banking. He also served as a member of the Morgan Stanley Global Investment Banking Division's six-person Operating Committee.

John is the Chairman of the Yale School of Architecture Dean's Council. He is a member of the Board of Overseers of the University of Pennsylvania's School of Design & Architecture. John is the Chairman of the Chelsea & Westminster Hospital Foundation Trust's Development Board. John is a Sterling Fellow of, and graduated with a Bachelor of Arts from, Yale University.



Forward-looking information

Certain statements in this presentation (collectively, the “presentation”) are forward-looking, including, but not limited to, statements relating to: (1) our growth strategies and strategic objectives (2) the expected timing of the closing of the transaction, (3) the expected source of funding, (4) the expected impact and benefits of the transaction set out on slides 2 and 6 of this presentation, (5) the key financial metrics set out on slide 6 of this presentation, and (6) other statements that are not historical or are predictive in nature or that depend upon or refer to future events or conditions. Forward-looking statements may also include words such as “aim”, “anticipate”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “initiatives”, “strategy”, “strive”, “target”, “will” and similar expressions. All such forward-looking statements are made pursuant to the “safe harbor” provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

The forward-looking statements in this presentation represent our current expectations, estimates and projections regarding future events and are not historical facts. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and are based on key factors and assumptions that are difficult to predict, including the assumption that the transaction, including the terms of the transaction, will be approved and completed on terms acceptable to the parties, or at all, and the assumption that Bentall Kennedy and GreenOak will be successfully integrated. The forward-looking statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after December 19, 2018. If any non-recurring or other special item or any transaction should occur, the financial impact could be complex and the effect on our operations or results would depend on the facts particular to such item and we cannot describe the expected impact in a meaningful way or in the same way we could present known risks affecting our business. The forward-looking statements contained in this presentation describe our expectations, estimates and projected future events as at December 19, 2018. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation.

Forward-looking statements are presented for the purpose of assisting investors and others in understanding our expected financial position and results of operations as at the date of this presentation, as well as our objectives for the transaction, strategic priorities and business outlook following the transaction, and in obtaining a better understanding of our anticipated operating environment following the transaction. Readers are cautioned that such forward-looking statements may not be appropriate for other purposes and undue reliance should not be placed on these forward-looking statements.

The realization of our forward-looking statements essentially depends on our business performance which, in turn, is subject to many risks. Important transactional and other risk factors that could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements in this presentation are listed in our news release announcing the transaction dated December 19, 2018 under the heading “Forward-looking information” and in the annual information form of Sun Life Financial Inc. for the year ended December 31, 2017 under the heading “Risk Factors” and other regulatory filings filed or furnished to Canadian and U.S. securities regulators available at www.sedar.com and www.sec.gov.

Use of Non-IFRS Financial Measures

This presentation includes certain forward-looking financial information using non-IFRS financial measures including estimated accretion, estimated EPS and estimated ROE impact in 2019, as we believe that these measures provide information that is useful to investors in understanding our expected performance. Estimated accretion, estimated EPS and estimated ROE impact in 2019 are calculated by excluding estimated transaction, integration and other costs from estimated net income.

These non-IFRS financial measures do not have any standardized meaning, may not be comparable with similar measures used by other companies, and there are no directly comparable amounts under IFRS. Forward-looking non-IFRS financial measures cannot be reconciled to IFRS measures. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS.