In the Investor Day presentations (as hereinafter defined), Sun Life Financial Inc. ("SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are collectively referred to as "the Company," "Sun Life Financial," "we," "our," and "us".

Forward-looking Statements

Certain statements in this presentation and certain oral statements made by senior management at the Sun Life Financial Investor Day 2019 (collectively, the "Investor Day presentations") include, but are not limited to, statements relating to the medium-term financial objectives of the Company and other statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. The forward-looking statements in the Investor Day presentations are made as of March 26, 2019. Except as may be required by law, we do not undertake any obligation to update or revise any forward-looking statements made in the Investor Day presentations.

Non-IFRS Financial Measures

The Company prepares its financial statements in accordance with international financial reporting standards ("IFRS"). The Investor Day presentations include financial measures that are not based on IFRS ("non-IFRS financial measures"). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company’s performance and facilitate a comparison of the quarterly and full year results of the Company’s ongoing operations. These non-IFRS financial measures do not have any standardized meaning, may not be comparable with similar measures used by other companies and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS.

Underlying net income (loss), underlying earnings per share ("EPS"), underlying return on equity ("ROE"), after-tax profit margin for SLF U.S. Group Benefits, pre-tax net operating profit margin ratio for MPS, after-adjusted premiums and deposits, assets under management ("AUM"), average net assets ("ANA"), assets under administration ("AUA"), business income force ("BIF"), sources of earnings measures (expected profit, new business strain, experience gains (losses), assumption changes and management actions and earnings on surplus), value of new business ("VNB"), asset gathering and MPS US GAAP net income are non-IFRS financial measures.

Medium-Term Financial Objectives

The medium-term financial objectives of the Company referred to in the Investor Day presentations are forward-looking non-IFRS financial measures and are not guidance.

Additional Information

Additional information concerning forward-looking statements, non-IFRS financial measures and the Company’s medium-term financial objectives is included in the Appendices to the Investor Day presentations.

Currency

All amounts are in Canadian dollars unless otherwise noted.
Dean Connor
President & CEO, Sun Life Financial

DELIVERING ON OUR PURPOSE, EXECUTING ON STRATEGIC PRIORITIES AND DRIVING CLIENT OUTCOMES

KEY MESSAGES

- A diversified business model, a strong balance sheet and financial discipline that provides us with a strong offence and defense
- We are delivering on our strategic priorities, including Client obsession, to drive meaningful growth across all pillars
- Digital transformation is deeply embedded throughout the organization
- Strong execution is driven by a deep, aligned leadership team that knows how to deliver on profitable growth
HISTORY OF STRONG EXECUTION
Generating Strong Top and Bottom Line Growth

4-Year Growth

- 2018 Underlying EPS(1) $4.86
  - 13% CAGR
- 2018 Underlying ROE(1) 14.2%
  - +260 BPS
- 2018 Dividend Per Share $1.91
  - 7% CAGR

Value of New Business(1)
(Excluding Sun Life Asset Management) ($ millions)
2014 2018
$644 $1,154 +16% CAGR

Insurance Sales(1)
($ millions)
2014 2018
$2,685 $3,189 +11% CAGR

Total AUM(1)
($ billions)
2014 2018
$734 $951 +7% CAGR

Wealth Sales(1)
($ billions)
2014 2018
$111 $137 +5% CAGR

HISTORY OF STRONG EXECUTION
Underlying Net Income Growth Supports Top Quartile Total Shareholder Returns

Underlying Net Income(1)
($ millions)
2014 2015 2016 2017 2018
1,836 2,305 2,335 2,546 2,947 +13% CAGR

Five-Year Total Shareholder Return(1)
(Annualized Returns)
- Sun Life 7.7%
- Asian Lifecos 5.6%
- European Lifecos 4.4%
- U.S. Lifecos 1.5%
- Canadian Lifecos 1.4%
- Asset Managers 0.7%
EFFECTIVELY DEPLOYING CAPITAL THROUGH M&A
Over $2 billion in Capital Deployed over the Past Three Years, millions more in Strategic Investments

<table>
<thead>
<tr>
<th>CLOSE DATE</th>
<th>DESCRIPTION</th>
<th>PILLAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Combining Bentall Kennedy and GreenOak Real Estate - broadens our asset management pillar by expanding the capabilities of our alternatives manager, Sun Life Investment Management(1)(2)</td>
<td>AM</td>
</tr>
<tr>
<td>2018</td>
<td>Excel Funds Management Inc. and Excel Investment Counsel Inc. – expands Sun Life Global Investments mutual fund business in Canada with a broader lineup of emerging market funds</td>
<td>CAN</td>
</tr>
<tr>
<td>2017</td>
<td>Pension businesses of PWD Life Insurance – further accelerates our already strong growth in the Hong Kong Mandatory Provident Fund business</td>
<td>ASIA</td>
</tr>
<tr>
<td>2016</td>
<td>Increased stake in joint ventures: Aditya Birla Sun Life Insurance from 26% to 49%; PVI Sun Life (Vietnam) from 49% to 100%; PT CIMB Sun Life (Indonesia) from 49% to 100%</td>
<td>ASIA</td>
</tr>
<tr>
<td>2016</td>
<td>Assurant U.S. Employee Benefits business – adds capabilities and scale to create a leader in U.S. group benefits and accelerate growth in U.S. pillar</td>
<td>US</td>
</tr>
</tbody>
</table>

(1) This transaction is expected to close in 2019, and is subject to regulatory approvals and customary closing conditions
(2) See “Forward-looking Statements” in the appendix

WELL POSITIONED TO LEVERAGE GLOBAL TRENDS
Long-term Drivers of Demand for What We Do

Demographic Shifts
Changing population including the aging of Baby Boomers and growth of Millennials

Downloading of Responsibility
Increasing shift in responsibility from governments and employers to individuals

Growing Prosperity in Asia
Growing demand for products and services as hundreds of millions in Asia move to the middle class

Digital Transformation
Digital, data and analytics changing Client behaviours and expectations
A CLIENT CENTRIC FOCUS WITH ALIGNMENT ACROSS OUR PILLARS
A Growth Strategy Focused on High ROE and Strong Capital Generation Through Leading Positions in Attractive Markets Globally

- A Leader in Insurance and Wealth Solutions in our Canadian Home Market (CAN)
- A Leader in Global Asset Management (AM)
- A Leader in U.S. Group Benefits (US)
- A Leader in Asia through Distribution Excellence in Higher Growth Markets (ASIA)

DIGITAL, DATA & ANALYTICS
FINANCIAL DISCIPLINE
TALENT & CULTURE

DISTRIBUTION EXCELLENCE

BUILDING A BETTER CLIENT EXPERIENCE TO DRIVE BUSINESS OUTCOMES
25% of Annual Incentive Plan tied to Client Index Scores and Client Outcomes

- More personal and proactive contact with Clients
- Making it easier for Clients to do business with us
- More effective problem resolution

Digital Nudges
More Convenient Touchpoints
Digital End-to-end Processes
Client Communications in Plain Language
Next Best Offer

Clients will do more business with us, stay with us longer and refer us to friends and family
CLIENT INDEX SCORES HIGHLIGHT PROGRESS ON CLIENT INITIATIVES
Proactive Contact Drives Increases in Client Index Scores

7 out of 11
Sun Life businesses with top quartile Client Index scores

<table>
<thead>
<tr>
<th>Client Index Scores</th>
<th>Client Satisfaction with Proactive Contact</th>
<th>Improvement vs. 2017</th>
<th>Business Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(% very satisfied)</td>
<td>(Pt. improvement)</td>
<td></td>
</tr>
<tr>
<td>Philippines (Asia)</td>
<td>58%</td>
<td>+9</td>
<td>Online service request tracking, Targeting relevant products through Next Best Offer</td>
</tr>
<tr>
<td>GB Members (CAN)</td>
<td>39%</td>
<td>+6</td>
<td>Re-engagement campaigns focused on Clients without an agent</td>
</tr>
<tr>
<td>GRS Members (CAN)</td>
<td>25%</td>
<td>+5</td>
<td></td>
</tr>
<tr>
<td>Vietnam (Asia)</td>
<td>46%</td>
<td>+5</td>
<td></td>
</tr>
<tr>
<td>Stop-Loss (U.S.)</td>
<td>61%</td>
<td>+2</td>
<td></td>
</tr>
</tbody>
</table>

2016 2017 2018

DIGITAL TRANSFORMATION DEEPLY EMBEDDED THROUGHOUT THE ORGANIZATION
Investing in Client Experience, Technology and Partnerships

Digitizing current interactions and processes
- Asia point of sale tools (needs, illustration, application, fulfillment)
- Web and mobile functionality in Canada and Asia
- U.S. dental provider access

Use digital to be personal, predictive, and proactive
- Predictive models for advisor recruiting and Client retention in Asia
- Digital Benefits Assistant and Ella in Canada
- Leveraging Maxwell Health to drive Voluntary Benefits enrollment in U.S.

Build new digital models
- Asia direct business models, including telco micro-products
- Digital Health Solutions in Canada
- Small Case integrated offering in U.S. Group Benefits

Partnership ecosystem
- Building digital expertise and ecosystems
- Making equity investments in early stage partners
- Investing in key technologies to drive global growth
- Exploring partnerships with start-ups and accelerators
ENGAGED EMPLOYEES ALIGNED BY OUR PURPOSE
Attracting, Retaining and Developing Top Talent is Central to our Success

85%
Engagement Index Score; outperforming the Global Financial Services Index

2,500
New jobs added over the past three years to advance our innovation, digital, data and Client experience capabilities

$150M+
Invested in training and development since 2014

One of Canada’s Top Employers for Young People
Recognized leader in gender equality
Global 100 Most Sustainable Corporations

UNIQUE CULTURE DRIVES SUCCESS

- Collaborative workplace that encourages innovation, diversity and inclusion
- Goals that are ambitious but achievable
- Personal accountability ("hits and misses")
- "Polite but direct"
- Playing to win
- Competition is focused externally
LEADING THROUGH DISTRIBUTION EXCELLENCE
Sales and Advice Focused on Client Needs, Data & Analytics and More Holistic Approach

Deep expertise in advisory channel, bancassurance, broker and direct
High quality advice and solutions
Leading capabilities, including technology and strong partnerships
Innovative mindset

RECOGNIZED LEADER WITH STRONG COMMITMENT TO ESG
Our Focus on Sustainability Helps us Bring our Purpose to Life

Sustainable Investing
- $15 billion invested in sustainable infrastructure
- 20% reduction in GHG emissions by 2020, 30% by 2030(1)
- MFS a leader in UN PRI scores and most ESG-friendly funds

Financial Security
- Financial literacy campaigns
- Increasing insurance penetration
- Public advocacy for financial security

Healthier Lives
- $25 million committed to diabetes globally
- Nudging and incenting Clients to live healthier lives
- New tools provide access to mental health support

Underpinned by a business strategy and governance that is sustainable and competitive for the long-term

(1) See “Forward-looking Statements” in the appendix
STRONG EXECUTION SUPPORTS MEDIUM-TERM FINANCIAL OBJECTIVES

UNDERLYING EPS GROWTH (1)
8–10%

UNDERLYING RETURN ON EQUITY (2)
12–14%

DIVIDEND PAYOUT RATIO (1)
40–50%

EXECUTING ON OUR AMBITION
To be One of the Best Insurance and Asset Management Companies Globally

Canada and MPS viewed as leaders; making strong progress in Asia, U.S. Group Benefits and SLIM

7/11
Sun Life businesses that have achieved top quartile Client Index Scores

85%
Employee Engagement Index Score – Outperforming Global Financial Services Index

8%
5-year annualized TSR – top quartile among 20 global insurers and asset managers
KEY MESSAGES

A diversified business model, a strong balance sheet and financial discipline that provides us with a strong offence and defense

We are delivering on our strategic priorities, including Client obsession, to drive meaningful growth across all pillars

Digital transformation is deeply embedded throughout the organization

Strong execution is driven by a deep, aligned leadership team that knows how to deliver on profitable growth
KEY MESSAGES

Proven track record of execution on medium-term financial objectives

Demonstrated financial discipline and high quality earnings
• Improved business mix, strong balance sheet and well-managed risk profile
• Profitable sales growth driven by improved mix and repricing
• Investing for future growth, while managing the trajectory of expenses

Capital strength provides financial flexibility to drive further shareholder value
PROVEN TRACK RECORD OF EXECUTION
Delivering Strong Growth and Exceeding Medium-Term Financial Objectives

Underlying Net Income(1) ($ millions)
13% EPS CAGR(2)
2014 2015 2016 2017 2018
1,816 2,305 2,335 2,546 2,947

Underlying ROE(1)
+260bps growth to 14.2%
2014 2015 2016 2017 2018
11.6% 12.8% 12.2% 12.7% 14.2%

Dividend per Share
43% average dividend payout ratio(3)
2014 2015 2016 2017 2018
1.44 1.51 1.62 1.75 1.91

MEDIUM-TERM FINANCIAL OBJECTIVES(4)

UNDERLYING EPS GROWTH 8–10%
UNDERLYING ROE 12–14%
DIVIDEND PAYOUT RATE 40–50%

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[Notes: (1) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix. (2) EPS = Earnings Per Share; CAGR = Compound Annual Growth Rate. (3) See “Forward-looking Statements” in the appendix.]

HIGH QUALITY EARNINGS
Diverse Mix of Business Provides Balanced Sources of Growth

High quality underlying and reported net income ($ millions)
94%: Average reported net income as a % of underlying net income(5)
2014 2015 2016 2017 2018
1,816 2,305 2,335 2,546 2,947

Diverse Mix of Business (2018 Underlying net income*)
Balance across geographies and business types

Sustainable Sources Driving Earnings Growth*
Strong growth from expected profit, new business gains and earnings on surplus

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[Notes: (5) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix.]

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[INVESTOR DAY 2019 | 4]
WELL DIVERSIFIED BALANCE SHEET
High Quality Portfolio to Meet Policyholder Obligations

**Investment Profile**
(as at December 31, 2018)

- **Well diversified and duration matched portfolio**
- Long history of managing Private Fixed Income
- Strong Real Estate capabilities, including Bentall Kennedy and GreenOak
- No direct exposure to Canadian single-family residential mortgages
- Commercial mortgages and loans underwritten and secured by underlying collateral

**Debt Securities, Commercial Mortgages and Loans by Rating**
(as at December 31, 2018)

**WELL MANAGED CREDIT PROFILE**

- Collaborative investment approach with broad engagement throughout the organization
- Independent Credit Risk function
- Income and regulatory capital sensitivities monitored against pre-established limits
- Defined investment limits for geography, sector and industry

**Net Credit Experience**
($ millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>48</td>
<td>72</td>
<td>64</td>
<td>74</td>
<td>72</td>
</tr>
</tbody>
</table>

Credit experience represents the impact of impairments and downgrades net of best estimate assumptions.
GROWING TOP LINE WHILE INCREASING PROFITABILITY OF SALES

VNB Driven by Higher Sales, Improved Mix of Business, Repricing and Gaining Scale in Asia

4-Year Growth

- 2018 Insurance Sales\(^{(1)}\): $3.2B, 11% CAGR
- 2018 Wealth Sales\(^{(1)}\): $25.4B, 7% CAGR
- 2018 Premiums & Deposits: $160B, 7% CAGR

Value of New Business\(^{(1)}\) (VNB) (Excluding Sun Life Asset Management) ($ millions)

\[\text{Value of New Business} = 1,154\text{ (2018)} - 644\text{ (2014)} = 510\text{ $ millions, +16% CAGR}\]

\(\)\(^{(1)}\) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix. Wealth Sales exclude Sun Life Asset Management.

MANAGING THE TRAJECTORY OF EXPENSE GROWTH

Disciplined Expense Management, While Investing in New Initiatives

- Underlying net income has grown at 1.5x operating expenses growth rate over the last five years
- Controllable expenses (post acquisitions in 2015 and 2016) have grown at a modest rate of 3% in 2017 and 2018
- Focused on managing expenses to fund growth, with continued investment in new initiatives, including digital, data and analytics

\[\text{Operating Expenses} (\text{$ millions})\]

\[\text{Operating Expenses} = 5,037 + 3\% \text{ CAGR}\]

\[\text{Controllable Expenses} = 4,537\text{ (2014)} - 5,000\text{ (2015)} + 5,200\text{ (2016)} \quad \text{Growth}\]

\[\text{Automated} \cdot \text{Digitization} \cdot \text{Lean Management} \cdot \text{Data Analytics}\]
STRENGTH THROUGH DISCIPLINED RISK MANAGEMENT
De-risking Activities Have Led to Reduced Income and Capital Sensitivities

<table>
<thead>
<tr>
<th>NET INCOME</th>
<th>CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensitivity to a 50 Basis Point Decline in Interest Rates (as a % of reported net income)</td>
<td>Sensitivity to a 50 Basis Point Decline in Interest Rates (as a % of available capital(2))</td>
</tr>
<tr>
<td>2018 -4%</td>
<td>2018 2%</td>
</tr>
<tr>
<td>2007 -7%</td>
<td>2007 -3%</td>
</tr>
<tr>
<td>Sensitivity to a 10% Decline in Equity Markets (as a % of reported net income)</td>
<td>Sensitivity to a 10% Decline in Equity Markets (as a % of available capital(2))</td>
</tr>
<tr>
<td>2018 -4%</td>
<td>2018 -0.5%</td>
</tr>
<tr>
<td>2007 -6%</td>
<td>2007 -2.9%</td>
</tr>
</tbody>
</table>

- No direct exposure to U.S. Variable Annuities or Long-Term Care
- Exited the U.S. Retail Life Insurance business
- Relatively low market risk exposure
- Balanced and diversified portfolio to deliver across cycles
- Strong risk management culture
- Among the highest rated global life insurance companies(1)

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(1) Based on financial strength ratings from S&P, Moody's, A.M. Best and D&B
(2) Available capital under UCAT (in 2018) includes Surplus Allowance

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STRENGTH CAPITAL GENERATION SUPPORTS DEPLOYMENT PRIORITIES
Net Excess Cash Generation of ~$800 Million per Annum After Organic Investments and Dividends(1)

- Funding Organic Growth
- Common Share Dividends
- M&A and Strategic Investments
- Share Buybacks

$3.3 billion $5.0 billion $2.7 billion $1.1 billion

2014 - 2018

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(1) See "Forward-looking Statements" in the appendices

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DEMONSTRATED STRENGTH IN CAPITAL ACROSS MULTIPLE MEASURES
Strong Capital Position Provides Significant Flexibility

144%
LICAT\(^{(1)}\) ratio at the holding company level. Higher than industry average of 134%

Financial leverage ratio\(^{(1)}\)
(\%)
380 bps lower than long-term target ratio of 25%

2014 2015 2016 2017 2018
23.6 22.1 25.2 23.6 21.2

$2.5 billion
Cash at the holding company. Expect to maintain $500 million as a buffer\(^{(3)}\)

---

STRONG CAPITAL POSITION WITH SIGNIFICANT DEPLOYMENT POTENTIAL \(^{(1)}\)

Capital Deployment Potential
($ millions)

\[ \begin{array}{c}
\text{Cash} & \text{Leverage @ 25\%} & \text{Leverage @ 30\%} \\
2,200 & 2,000 & 1,400 \\
\end{array} \]

$5.6 billion

<table>
<thead>
<tr>
<th>DEPLOYMENT OPPORTUNITIES</th>
<th>DESCRIPTION/CONSIDERATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Investments</td>
<td>Making further investments in building out new business models and advancing our leading digital capabilities</td>
</tr>
<tr>
<td>Mergers &amp; Acquisitions</td>
<td>Actively seeking out potential targets aligned with our strategic goals and meeting financial hurdles</td>
</tr>
<tr>
<td>Share Buybacks</td>
<td>Utilize excess capital build up for share repurchases in the near term</td>
</tr>
<tr>
<td>Reinsurance Transactions</td>
<td>Repatriating certain reinsurance arrangements with potential to increase earnings</td>
</tr>
</tbody>
</table>

---

\(^{(1)}\) See “Forward-looking Statements” in the appendix.
DRIVING VALUE FROM CLOSED BLOCKS OF BUSINESS
Run-off Businesses Contributed 12% of Underlying Net Income in 2018

- Efficiently managed and administered businesses, that gradually run off over time
- Continue to generate strong earnings, with a 5-year combined average of $320 million in underlying net income
- Provide strong support for Sun Life's ROE objective
- Generate high level of cash flows
- Approximately $2 billion of capital allocated across the businesses

A CLEAR PATH FOR ACHIEVING MEDIUM-TERM FINANCIAL OBJECTIVES

Earnings growth objectives by pillar

- Canada: 6%
- U.S. Group Benefits: 10%
- Asia: 15%
- Asset Management: 5%

Capital deployment

- Organic Growth
- Common Share Dividends
- M&A and Strategic Investments
- Share Buybacks

(1) See "Forward-looking Statements" in the appendix
(2) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix
KEY MESSAGES

Proven track record of execution on medium-term financial objectives

Demonstrated financial discipline and high quality earnings
- Improved business mix, strong balance sheet and well-managed risk profile
- Profitable sales growth driven by improved mix and repricing
- Investing for future growth, while managing the trajectory of expenses

Capital strength provides financial flexibility to drive further shareholder value
Jacques Goulet
President, Sun Life Financial Canada

CANADA IS A GROWTH MARKET FOR SUN LIFE

KEY MESSAGES

- Proven track record of strong growth while advancing our leadership position in Canada
- Macro trends creating opportunities in the Canadian market and Sun Life is well positioned to capitalize on them
- Shaping the market through innovation and digital capabilities at moments that matter for Clients
- Optimizing our business through financial discipline and focused prioritization to drive strong earnings growth
PROVEN TRACK RECORD OF STRONG GROWTH

Strong Financial Discipline While Investing in Key Strategic Priorities to Drive Growth

Underlying Net Income\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>823</td>
</tr>
<tr>
<td>2018</td>
<td>1,036</td>
</tr>
</tbody>
</table>

Underlying Return On Equity (ROE)\(^{(1,2)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>11.2%</td>
</tr>
<tr>
<td>2018</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

Value Of New Business (VNB)\(^{(3)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>435</td>
</tr>
<tr>
<td>2018</td>
<td>630</td>
</tr>
</tbody>
</table>

- Extending leadership position provides a strong core foundation for growth
- Investing to build out key growth engines contributes to lift in results
- Shaping the market through innovations in technology and new digital business models

\(\text{CAGR}^{(3)}\)

ADVANCING OUR LEADERSHIP POSITION IN CORE BUSINESSES TO DRIVE GROWTH

Putting More Daylight Between Sun Life and our Competitors

Group Retirement Services Market Share\(^{(4)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>34%</td>
</tr>
<tr>
<td>2018</td>
<td>36%</td>
</tr>
</tbody>
</table>

Group Benefits Market Share\(^{(5)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>22%</td>
</tr>
<tr>
<td>2018</td>
<td>24%</td>
</tr>
</tbody>
</table>

Individual Life Sales Market Share\(^{(6)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>19%</td>
</tr>
<tr>
<td>2018</td>
<td>24%</td>
</tr>
</tbody>
</table>

- #1 in Group Retirement Services for 16 years in a row\(^{(4)}\)
- #1 in Group Benefits for 9 years in a row

- Optimize integrated platform
- Advance our workforce advantage
- Extend leading digital, data and analytics capabilities
- Expand model into adjacent businesses

\(^{(1)}\) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix
\(^{(2)}\) The adoption of IFRS17 impacted the capital allocation for S&L Canada. As a result underlying ROE increased approximately 1.8%.
\(^{(3)}\) Compound Annual Growth Rate
\(^{(4)}\) AURA Source: 2018 is based on June 30, 2018 assets under administration as measured by Benefits Canada, released in December 2018
\(^{(5)}\) Revenue Source: 2018 Fraser Group Universe Report (based on revenue for year ended December 2017)
\(^{(6)}\) Sales Source: LIMRA Sales Market Share Q4 18 YTD
\(^{(4)}\) Fraser PUL report based on year-ended December 2017
MACRO TRENDS IN CANADIAN MARKET CREATING OPPORTUNITIES FOR SUN LIFE

Canadians are Concerned About Outliving their Retirement Savings, Staying Healthy and Having Convenient Access to Healthcare

- Protecting your family and loved ones
- Managing your health and well-being
- Retiring with sufficient money and leaving a legacy

< 1/3 of Canadians have insurance coverage for serious life events(1)

$250 billion spent on healthcare each year(2) and costs continue to increase

53% of Canadians do not know if they are saving enough(3)

SUN LIFE IS WELL POSITIONED TO SHAPE THE INDUSTRY AND CAPITALIZE ON OPPORTUNITIES

Foundation Based on one of the Most Trusted Canadian Brands and Strong Client Engagement

Supporting Clients with holistic advice at moments that matter

Shaping the market through Innovation and Digital Capabilities
- Digitally enabled Client touchpoints provide on demand services
- Investment in digital capabilities enabling a seamless Client experience
- Making it easier for our Clients to do business with us
- Delivering personalized, relevant advice to our Clients
- Empowering Canadians to manage their health and well being

Optimizing our business through financial discipline and focused prioritization to drive strong earnings growth
- Engaged employees driven by attracting, developing and retaining diverse top talent
- Leveraging our workplace advantage
- Defined Benefit Solutions is a leader in a growing market
- Sun Life Global Investments expanding wealth presence
- Strong expense management while increasing strategic investments

(1) Most Canadians are underinsured. Study from Insurance Business Canada, March 8, 2017
(2) National Health Expenditure Database, from the Canadian Institute for Health Information, 2018
(3) 72% of Canadians are nearing retirement without any savings. Poll from BMO-Sun Life. CBC Poll, February 8, 2018
SUPPORTING CLIENTS WITH HOLISTIC ADVICE AT MOMENTS THAT MATTER
Our Combined Platform Provides a Competitive Advantage

- Leadership at the worksite driven by strategies like Total Benefits with 80% of top ten GRS Clients combined GB/GRS Clients
- Industry leading technology and digital capabilities supporting over 125 million interactions with Clients and Advisors each year
- Leveraging digital, data and analytics to grow and deepen relationships with our 6 million Clients

DIGITALLY ENABLED TOUCHPOINTS PROVIDE ON DEMAND SERVICES
Leading to Increased Adoption Across Digital Channels

- Alex becomes a new Dad, nudged by DBA
- Secure Web Site: 34.9M (+5% over prior year)
- Mobile Sessions: 17.4M (+74% over prior year)
INVESTMENT IN DIGITAL CAPABILITIES
Investments Creating New Capabilities and Extending Technology Lead

**Digital Health Solutions**
- 150K Health providers from coast to coast
- 6 million Ratings from Sun Life Clients who have used these services

**Strategic Collaborations**
- Pilot to digitally engage Clients by creating visibility into their financial future and seamlessly connect them with an advisor

**Digital Enhancements**
- Voice-enabled personal assistants provide search and account inquiry
- eSignature capability
- Mobile app "Click to Chat" capability
- Online physician consultants provide immediate virtual visits available through live video, telephone or text

**Artificial Intelligence and Machine Learning**
- 31% Applications in our Career Advisor network are straight-through electronically underwritten
- Improvement on handling time via predictive underwriting model
- 75K Hours saved in 2018 via 11 automated processes deployed to over 1,100 Client facing representatives

DELCIVERING PERSONALIZED, RELEVANT ADVICE TO OUR CLIENTS

In 2018, Ella has...

- Helped Clients save over $400 million towards their retirement
- Helped Clients protect their families with over $375 million of increased insurance coverage
- Helped 1.8 million Clients to make better health and wealth decisions through personalized and relevant contact
- Lifted Client engagement with Bright Ideas by an average of 50% since her introduction in September 2017

Metrics include results from Digital Benefits Assistant (DBA) and Ella.
A "Bright Idea" is a nudge or suggestion from Ella to help a Client take their next best action. It's intended to help make small, positive and progressive steps towards achieving lifetime financial security and live healthier lives.
MAKING IT EASIER FOR OUR CLIENTS TO DO BUSINESS WITH US
Our Leading Digital, Data and Analytics Capabilities Differentiate us to Engage Clients in the Ways they Prefer

High
Complexity of needs

Low
Client preference for advice

Full-service advice
- Estate and financial planning
- Financial advice

Assisted-Advice
- Licensed professionals via call centre

Self Directed
- Sun Life Go
- Lumino Health Digital offering

EMPOWERING CANADIANS TO MANAGE THEIR HEALTH AND WELL BEING
Outcomes Driving Benefits for our Clients and Sponsors

Lumino Health
An innovation from © Sun Life

Fitness & Lifestyle
Mental Health
Family Health
Diet & Nutrition
Virtual & Home Health
Aging & Caregiving

BENDING THE COST CURVE FOR SPONSORS AND MEMBERS
- More informed health consumer and behavioural changes with cost transparency and quality
- Reduced out of pocket costs for Clients with provider discounts and special offers
- Plan sustainability with innovative drug therapy by leveraging scale to negotiate with manufacturers
- Offering lower overall costs by providing a variety of innovative healthcare solutions
ENGAGED EMPLOYEES DRIVEN BY ATTRACTING, DEVELOPING AND RETAINING DIVERSE TOP TALENT

Named one of the Top 25 Companies to work for in Canada by LinkedIn
One of “Canada’s Top Employers for Young People” for the 3rd year in a row\(^{(1)}\)
Perfect score on the LGBT Corporate Canadian Index (CCI) for the 2nd year in a row\(^{(2)}\)

Engage 84%  Engagement Index; outperforming the Global Financial Services Norm
Attract 58%  Of hires into digital, data, operations or distribution roles – leading capabilities
Develop 30%  Of top talent leaders experienced a promotion or lateral move in 2018 to build critical experiences

Diverse workforce

49% Women at or above Director level
46% of the workforce are Millennials; of leaders, 23% are Millennials

SUN LIFE FINANCIAL 11 Recognized in the editorial competition organized by the Canada’s Top 100 Employers project, 2019 INVESTOR DAY 2019 | 13

ENGINES ACCELERATING GROWTH

Growth engines accounting for 45% of VNB\(^{(3)}\) in 2018

Worksite Advantage VNB ($ millions)  Defined Benefit Solutions VNB ($ millions)

\+14% CAGR  \+15% CAGR

$92  $155  
2014  2018

$38  $66
2014  2018

Leveraging our worksite advantage with clients and plan members
Defined Benefit Solutions is a leader in a growing market

Wealth Manufactured\(^{(4)}\) Products VNB ($ millions)

\+38% CAGR

$17  $61
2014  2018

Expanding our retail wealth presence

SUN LIFE FINANCIAL 11 Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix.
\(G\) Represents individual wealth products developed by Sun Life, which include Sun Life Global Investment mutual funds, Sun Life Guaranteed Investment Funds segregated funds, Guaranteed Investment Certificates, and Accumulation and Lapse Annuities.

INVESTOR DAY 2019 | 14
LEVERAGING OUR WORKSITE ADVANTAGE WITH CLIENTS AND PLAN MEMBERS

Rollover and In-Plan Driving Growth by Connecting with Clients at Moments that Matter

- **Rollover Wealth Sales**
  - $1,572 million in 2014
  - $2,636 million in 2018
  - +14% CAGR

- **Asset Gathering**
  - $419 million in 2014
  - $1,188 million in 2018
  - +30% CAGR

- **Assets Under Administration**
  - $7,044 million in 2014
  - $13,968 million in 2018
  - +14% CAGR

**#1 GB and GRS market positions enabling Total Benefits with the power of One**
- One access, one app, one total rewards statement
- 53% Leading retention rate

**100K+ Advisor referrals, driving $263 million in sales**

Metrics are for 2018 YTD

---

DEFINED BENEFIT SOLUTIONS IS A LEADER IN A GROWING MARKET

Sun Life is Shaping the Industry as the #1 Provider of Canadian Group Annuities

- **Market has expanded...**
  - Group Annuity sales:
    - 2014: $1.0 billion
    - 2018: $4.6 billion

- **...we are winning...**
  - Highly experienced team of pension actuaries bringing innovative pension risk transfer solutions
  - Helping employers manage their risk in defined benefit plans
  - Solutions include annuity buy-outs/buy-ins, longevity insurance, liability driven investments (LDI)

- **...and significant growth opportunity**
  - Canada total market: $1.7 trillion
  - $25 billion
  - Pensions de-risked over the past 10 years

1.5% Canadian market has been de-risked with the majority substantially untapped and under-developed

---

(1) Industry sales: LiUNRA Secure Retirement Institute; February 14, 2019
(2) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix.
(3) LiUNRA, WTW Global Pension Assets Study (excluding RGF) at December 31, 2017
SUN LIFE GLOBAL INVESTMENTS EXPANDING WEALTH PRESENCE

Strong Fund Performance Fueling Sales and Asset Growth

SLGI Assets Under Management
($ billions)

- Specializing in innovative investment solutions
- Bringing the best in class asset managers to Canadians
- Delivering exceptional Client and Advisor experience

Strong Investment Performance

<table>
<thead>
<tr>
<th>% of Funds above peer median</th>
<th>1-year</th>
<th>3-year</th>
<th>5-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of Assets above peer median</td>
<td>91%</td>
<td>90%</td>
<td>92%</td>
</tr>
</tbody>
</table>

Top 3
Canadian Mutual Fund net sales in 2018

(1) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix.
(2) Source: Morningstar Direct; Performance based on Series F units. Includes the Sun Life Money Market Funds and excludes GSX Mosaicane Fund.
(3) Data as of December 31, 2018. Source: SIRUND

STRONG EXPENSE MANAGEMENT WHILE INCREASING INVESTMENTS IN GROWTH AND INNOVATION

Driving Prioritization of Focus Areas and Expense Discipline

- Increased financial discipline driving a step change in expense management.
- Significant investment in engines of growth resulted in higher than expected expense growth in prior years.
- Investments to drive future growth will be funded by expense discipline and productivity savings.

Operating Expenses
($ millions)

<table>
<thead>
<tr>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,546</td>
<td>1,706</td>
<td>1,871</td>
<td>2,018</td>
<td>2,040</td>
</tr>
</tbody>
</table>

Productivity savings driven by...

- Automation – leveraging robotics and micro automation technologies
- Digitization – continuing to increase digital capability across all channels, and eliminating paper in all processes
- Lean Management – focus on execution supported by data driven decision making
- Analytics – increasing use of predictive modelling to further optimize our processes

(1) See “Forward-looking Statements” in the appendix
FINANCIAL DISCIPLINE FOCUSED ON PRIORITIZATION AND STRONG EARNINGS GROWTH

6%+ earnings growth

Market Growth Rate  Optimization of Businesses  Accelerating Growth Engines  Delivering New Models  Sun Life Canada Earnings Growth Rate

KEY MESSAGES

- Proven track record of strong growth while advancing our leadership position in Canada
- Macro trends creating opportunities in the Canadian market and Sun Life is well positioned to capitalize on them
- Shaping the market through innovation and digital capabilities at moments that matter for Clients
- Optimizing our business through financial discipline and focused prioritization to drive strong earnings growth

(1) See “Forward-looking Statements” in the appendix
Dan Fishbein, M.D.
President, Sun Life Financial U.S.

EXTENDING OUR REACH AND DEEPENING CLIENT RELATIONSHIPS IN U.S. GROUP BENEFITS

KEY MESSAGES

Significant improvements in profitability have been driven by growth, loss ratio improvements, expense management and progress on integration.

Future growth will be fueled by continued execution of our core Group Benefits businesses, helping Clients fill coverage gaps, and by expanding our leading Stop-Loss and FullScopeRMS businesses.\(^{(1)}\)

Focus on Digital, Data & Analytics will personalize, simplify and speed Client interactions through the digital Maxwell Health platform.

Growth, strategic initiatives, improved performance, and efficiency will drive continued margin improvement and earnings growth above market rates.\(^{(1)}\)

\(^{(1)}\) See “Forward-looking Statements” in the appendix.
DELIVERING SIGNIFICANT GROWTH AND PROFITABILITY IMPROVEMENTS

**Underlying Net Income**
(USS millions)

- 2014: $135
- 2018: $396
- **CAGR:** 31%

**After-Tax Group Benefits Margin**
(%)

- 2014: -1.1%
- 2018: 6.7%
- **BPS:** 780

**Sales**
(USS millions)

- 2014: $999
- 2018: $999
- **CAGR:** 14%

---

SUCCESSFULLY ACHIEVING INTEGRATION MILESTONES

On Track to Fully Achieve Expense Synergies of USS100 Million in 2019

**Level of target expense synergies achieved**

- Completed systems integration, and now retiring legacy systems
- All new business being issued on Sun Life platform
- 50% of acquired business is through conversion; 96% targeted by end of 2019
- Persistency remains strong, performing better than expectations

---

(1) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix
(2) Compounded Annual Growth Rate

---

(1) See "Forward-looking Statements" in the appendix
DEEPENING RELATIONSHIPS IN NATIONAL ACCOUNTS

Executing on Growth Opportunities in the Large Case Market

2018 Achievements

- +5 Client Index Score
- 24% Sales Growth\(^{(1)}\)
- 140k New Members Added
- 3x Production from Key Consulting Brokers

- Strong presence in the National Accounts market with more than US$700 million of business in-force\(^{(1,2)}\)
- Relationships with consultants and large national brokers critical to distribution
- Less price sensitive market with a focus on capabilities
- Investing in capabilities, distribution expertise, and a differentiated Client experience

U.S. EMPLOYEE BENEFITS MARKET OPPORTUNITY

Market Trends are Driving Larger Coverage Gaps for Clients

- Employees responsible for more health and benefits costs
- Growing life insurance coverage gap, estimated in the trillions\(^{(3)}\)

- US$350 billion\(^{(4)}\) out-of-pocket health expenses
- Affordability, lack of education and poor enrollment experience

\(^{(1)}\) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix.
\(^{(2)}\) December 31, 2018

\(^{(3)}\) Based on Oliver Wyman research, 2016
\(^{(4)}\) Includes employee and individual contributions to health plans
HELPING CLIENTS GET THE COVERAGE THEY NEED
Transforming the Benefits Experience Through Ease of Doing Business

MAXWELL HEALTH
• Provides an intuitive, digital Client experience
• Delivers seamless integration of all enrollment phases
• Drives deeper Client relationships
• Proactively engages employees and gets them the coverage they need, when they need it
• Increases sales, premiums and products offered by employers

SIMPLIFYING BENEFITS AND DELIVERING LEADING ENROLLMENT SOLUTIONS
Robust Technology Platform Provides Complete Benefits Administration
**U.S. STOP-LOSS MARKET OPPORTUNITY**

Market Trends Support Continued Strong Growth in Self-insured Market

- **61%**
  - of U.S. employees are covered by a self-insured plan

- **US$1 trillion**
  - of costs covered by self-insured health plans

- **6-8%**
  - annual growth in health care costs

- **Smaller employers**
  - moving to self-insured model

---

**SUPERIOR SLF U.S. STOP-LOSS PERFORMANCE**

Generating Strong Top and Bottom Line Growth

- **Business In Force**
  - **(US$ billions)**
  - +12%
  - **2014**: $1,080
  - **2018**: $1,631

- **Sales**
  - **(US$ millions)**
  - +14%
  - **2014**: $333
  - **2018**: $558

  - **Growing stop-loss market share using our differentiated capabilities and industry expertise**
  - **Delivering strong earnings and industry-leading loss ratios**
  - **Using Digital, Data & Analytics to provide unique insights and solutions**

---

(1) Represents a non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix.
SIZE, SCALE, AND DATA PROVIDE A COMPETITIVE ADVANTAGE
Leveraging Capabilities to Extend Leadership Position in a Growing Market

#1 INDEPENDENT U.S. STOP-LOSS PROVIDER:
• Access to 90% of stop-loss claims data in the U.S.
• Provides a competitive advantage for pricing, trends and insights

LARGEST DEDICATED SALES TEAM:
• 45 specialists with deep expertise
• 180+ Third Party Administrator relationships

DIGITAL, DATA & ANALYTICS DRIVING RESULTS:
• Sun Life Benchmark Tool Close twice as much business when the tool is used
• Sun Life Clinical 360 program

EXPANDING FURTHER INTO THE SELF-INSURED MARKET
Opportunity to Provide Additional Services to Self-insured Plans

SLF U.S. Stop-Loss
Specific Stop-Loss Insurance
Aggregate Stop-Loss Insurance
Clinical 360
TPA Partners
Captive Programs
Data & Analytics
Level Funding Product
Disease Management
Pharmacy Benefits Management
Providing a Full-Range of Turnkey Group Products & Services

FullscopeRMS Broadens Our Offering for Industry Partners

- A comprehensive suite of group capabilities for insurance companies, health plans and third-party administrators
- Based on our successful DisabilityRMS model
  - Leading U.S. provider of turnkey disability risk management products and services
  - 25 years in the business
  - US$270 million in business in-force as at December 31, 2018
  - Managing over 40,000 claims for 25 U.S. insurance companies

Risk Management Solutions (RMS)

- Disability
- Life
- Stop-Loss
- Voluntary
- Absence

Expertise • Performance • Brand Protection

People and Culture Drive Our Success

Named one of the "Best Places to Work in Massachusetts" by The Boston Globe (2018)
Received a 100% score on the Corporate Equality Index and awarded the "Best Place to Work for LGBT Workplace Equality" for 11 years in a row

Our People...

- Are engaged 82%
- Endorse Sun Life >50%
- Are diverse 1/3

SLF U.S. 2018 Employee Engagement Index above benchmark(1)

Are Committed 18.5 Average years of service at Sun Life for SLF U.S. VPs and above

Voluntary turnover below industry average(2)

- Global Financial Services Benchmark
- SLF U.S.

(1) 2018 Willis Towers Watson Engagement Survey Report
(2) Willis Towers Watson HCM Metrics Survey External Benchmarks
DRIVING DOUBLE DIGIT EARNINGS GROWTH IN GROUP BENEFITS\(^{(1)}\)
Increasing Group Benefits Target After-tax Profit Margin\(^{(1),(2)}\)

U.S. Group Benefits target after-tax profit margin
\[ 7\% + \]

*Market growth rate represents blended growth rate for Group Benefits and Stop-Loss, weighted by SLF U.S. business mix.

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KEY MESSAGES

Significant improvements in profitability have been driven by growth, loss ratio improvements, expense management and progress on integration.

Future growth will be fueled by continued execution of our core Group Benefits businesses, helping Clients fill coverage gaps, and by expanding our leading Stop-Loss and FullScopeRMS businesses\(^{(1)}\).

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Growth, strategic initiatives, improved performance, and efficiency will drive continued margin improvement and earnings growth above market rates\(^{(1)}\).

---

\(^{(1)}\) See “Forward-looking Statements” in the appendix
\(^{(2)}\) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix.
WELL POSITIONED IN ASIA’S LARGEST AND FASTEST GROWING MARKETS

KEY MESSAGES

Established in many of Asia’s largest and fastest growing markets with attractive fundamentals to support double-digit growth

Proven track record of success evidenced by our strong financial results

Focus on outcomes for Clients to support business growth

- Continued focus on distribution excellence, driving both quality and reach
- Leveraging Digital, Data & Analytics to transform our operations and the way we do business
- Powered by a highly engaged, energetic workforce led by strong local leadership
OUR MARKETS IN ASIA HAVE ATTRACTION FUNDAMENTALS

Global Growth in Insurance Penetration and Wealth Creation will be Powered by Asia’s Expanding Middle Class

- ~90% of the next billion entrants into the middle class will be in Asia (1)

**OUR 7 MARKETS MAKE UP WITH GDP (2) GROWTH OF**

<table>
<thead>
<tr>
<th>87%</th>
<th>91%</th>
<th>7%</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP of Asia-Pacific ex. Mature markets (2)</td>
<td>Life premiums of Asia-Pacific ex. Mature markets (2)</td>
<td>Unique access to Hong Kong &amp; Singapore’s ultra-high-net-worth clients through our International insurance business</td>
</tr>
</tbody>
</table>

Well-positioned in India, one of the world’s most underpenetrated mutual fund markets

Opportunities for Hong Kong and China to benefit from opening up of the Greater Bay Area, with total population of 70 million and GDP comparable to Canada (3)

(1) The Unprecedented Expansion of the Global Middle Class: An Update, Feb 2017, Brookings; Hemd Khara
(2) Sigma 3, 2018, Swiss Re Institute. Mature markets include Japan, Korea and Taiwan

WE ARE WELL-POSITIONED TO CAPTURE GROWTH OPPORTUNITIES

Over 20 million Clients Across Asia

**PHILIPPINES**
- #1 ranked insurance (1) company for 7 years in a row
- 3rd largest mutual fund (2) provider based on AUM

**HONG KONG**
- Insurance: 7th in Agency (3)
- 2nd largest MPF based on net inflows, #4 based on AUM (4)

**MALAYSIA**
- 3rd in Bancassurance (5); newly established Agency channel in 2018
- First-of-its-kind telco distribution through U Mobile

**CHINA**
- Insurance: 8th among foreign JV (6)
- Surpassed 9,000 advisors, 70% year-on-year growth

**INDONESIA**
- 9th in Agency (7)
- Sun Life Indonesia has market share of 3.1%, up from 1.9% a year ago

**INDIA**
- Insurance: 8th in individual insurance and 4th in group (9)
- 4th largest mutual fund provider in the country based on AUM (10)

**VIETNAM**
- #12 in Agency (10)
- Sun Life Vietnam grew at 40% vs industry growth of 30% (11)

**INTERNATIONAL**
- A leader in high-net-worth insurance
- Integrated SLF International as part of Sun Life Asia in 2018

(1) The Unprecedented Expansion of the Global Middle Class: An Update, Feb 2017, Brookings; Hemd Khara
(2) Sigma 3, 2018, Swiss Re Institute. Mature markets include Japan, Korea and Taiwan

See appendix to these slides for information on source data referenced by footnote
CONTINUED STRONG TRACK RECORD OF EXECUTION...
Consistent Top-line and Bottom-line Growth

<table>
<thead>
<tr>
<th>Number of Clients (in millions)</th>
<th>Value of New Business ($ millions)</th>
<th>Underlying Net Income ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>11 (CAGR 21) in 2018</td>
<td>182 (CAGR 360) in 2018</td>
<td>290 (CAGR 523) in 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Individual Life &amp; Health Insurance Sales ($ millions)</th>
<th>Wealth Sales ($ millions)</th>
<th>Wealth AUM ($ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>527 (CAGR 868) in 2018</td>
<td>5,648 (CAGR 10,101) in 2018</td>
<td>22,292 (CAGR 42,815) in 2018</td>
</tr>
</tbody>
</table>

(1) Underlying Net Income, VNB, Sales and AUM are non-IFRS Financial Measures. VNB and Wealth sales exclude International Wealth, which was discontinued to new sales from December 2013.

...AND WE’RE GROWING FASTER THAN OUR COMPETITORS

<table>
<thead>
<tr>
<th>Insurance Sales Growth by Competitor (1)</th>
<th>VNB Growth by Competitor (1)</th>
<th>Net Income Growth by Competitor (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-year CAGR</td>
<td>4-year CAGR</td>
<td>4-year CAGR</td>
</tr>
<tr>
<td>Peer A 27%</td>
<td>SLF Asia 30%</td>
<td>SLF Asia 23%</td>
</tr>
<tr>
<td>SLF Asia 17%</td>
<td>Peer B 30%</td>
<td>Peer A 18%</td>
</tr>
<tr>
<td>Peer C 15%</td>
<td>Peer C 23%</td>
<td>Peer B 16%</td>
</tr>
<tr>
<td>Peer D 15%</td>
<td>Peer D 21%</td>
<td>Peer C 15%</td>
</tr>
<tr>
<td>Peer E 7%</td>
<td>Peer E 14%</td>
<td>Peer D 14%</td>
</tr>
<tr>
<td>Peer F 6%</td>
<td>Peer F 7%</td>
<td>Peer E 7%</td>
</tr>
</tbody>
</table>

(1) Based on 4-year compound annual growth rates, excluding Sun Life International. Additional information on competitor data set is included in the appendix. Insurance sales and VNB are Non-IFRS Financial Measures. See “Non-IFRS Financial Measures” in the appendix.
ACHIEVING EXCELLENCE ACROSS ALL DISTRIBUTION PLATFORMS...

Driving Quality and Reach Through a Multi-channel Approach

**Agency**

- **MRA (Most Respected Advisor)**: We have strong bank partners in 5 markets, and bancassurance sales have grown at a CAGR of 25% since 2014.
- **Build MRA as a meaningful career purpose** - especially for new advisors
- **Sun Elite** - developing a team of elite advisors and agency leaders in Asia
- **Brighter Gen** - building an enthusiastic, digitally-savvy & sustainable young community of advisors

**Bancassurance**

- Providing insurance solutions to clients through financial intermediaries, especially in Hong Kong and China.
- Providing international brokers with insight, solutions and support to serve and retain their high-net-worth clients.

**Broker**

- Reaching new customer segments through digital partnerships with telcos and fintech companies.

**e-Distribution**

...WITH A STRONG FOCUS ON OUTCOMES

**Agency: Developing a quality agency force in every market**

- **ASIA AGENCY SALES** ($ millions)
  - Over 1,300 QRT elites, nearly doubled in 3 years
  - Expanding agency force while maintaining high productivity, driven by the use of digital distribution tools
  - Award-winning agency training program in Hong Kong achieved 42% growth in sales and 25% growth in headcount in 2018
  - Established Agency force in Malaysia in partnership with CIMB Principal Asset Management

**Bancassurance: focused on bringing distribution excellence to quality partners**

- **ASIA BANCASSURANCE SALES** ($ millions)
  - Over **100,000** advisors in Asia

Note: Based on 2018 MRT Association Company Statistics and internal analysis.
REACHING MORE CLIENTS WITH A BALANCED PRODUCT SUITE

**Our product strategy is Client-centric**
- Develop products through Client insights
- Focused on improving speed-to-market
- Continue to introduce innovative products and solutions to differentiate our offering
- Focus on H&A to balance our portfolio in each of our markets

**VNB by Line of Business**

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Health &amp; Accident</th>
<th>Savings &amp; Protection</th>
<th>Investment Linked</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
```

**Helping Clients live healthier lives**
- Philippines — GoWell online wellness community including premium content for H&A Critical Illness policy holders
- Malaysia — launched the innovative wellness app SunActivity that rewards Clients for healthy behavior
- China — mobile platform to increase interaction with prospective Clients through charity walks
- Hong Kong — Diabetes care program enables Clients to self-manage diabetes, with premium reduction for improved health

**HEALTH & ACCIDENT SALES**

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
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<tr>
<td>2016</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>
```

ADVANCING DIGITAL CAPABILITIES FOR A SEAMLESS CLIENT EXPERIENCE

**Client Mobile app and Advisor platforms enhancements to improve experience and meet them where they are**
- 24hr Claim payment turnaround in HK
- 100% Advisor adoption in PH, ID and HK

**SunSMART — our digital Point-of-Sales tool increases the professionalism and productivity of our Advisors**
- 15min Policy application completion in HK, MY, ID
- 50% Less paper applications in HK

**Leveraging Robotic Automation and Virtual Assistants to improve Client experience and drive efficiencies**
- 127 Bots in Asia, automating 40 processes
- 5K+ Employee Hours saved
- 150K+ Business transactions processed
Hong Kong Client App
Family coverages summary – on Dashboard
View your policies and coverage of your whole family on one page

Push Notification – Premium due alert
Receive a heads-up of the premium due dates of all your plans and policies

Investment-linked fund management
Keep abreast of the fund prices and change your investment options or future premium allocation anytime, anywhere to grasp every investment opportunity

eClaims – Straight Through Process
For Accident or Hospitalization & Surgical claims, you may now fill out forms and submit documents all in one go

eClaims Payment Options - FPS
Faster Payment System allows Client to receive claims within 24 hours

HARNESSING THE POWER OF DATA & ANALYTICS
To Be More Personal, Proactive, and Predictive

Using data to enable our Advisors to recommend the
Next Best Offer to Clients at the right moment

35%+
More take up from 'high propensity' Clients identified from machine learning model

500+
Clients take up a Next Best Offer per month

+3pt
Improvement to Asia Client Index

+15%
Persistency uplift in Malaysia

+6%
Increase in satisfied Clients
INDIA MUTUAL FUND (ABSLAMC)
Well Positioned to Capture Growth in One of the World’s Most Underpenetrated Mutual Fund Markets

- Mutual Fund Penetration
  - Mutual Fund AUM as a % of GDP
  - India: 12%
  - UK: 73%
  - Canada: 78%
  - USA: 114%

- 1.38 population
- 750M bank accounts
- 20M mutual fund investors

- 7.5% Annual forecast India GDP growth (2019-2021)

ABSLAMC is a leading Mutual Fund Player in India with $49 billion in assets under management

- Assets Under Management ($ billions)
  - Cash Management
  - Fixed Income & Other
  - Equity
  - 2014: 22
  - 2018: 18
  - 49

- AUM Market Share
  - 2014: #4
  - 2018: 10%

- Equity AUM CAGR
  - 2014: +40%

- Number of Clients
  - 5M+
- Number of Locations
  - 269
- Number of Distributors
  - 75K+

INDIA INSURANCE (ABSLI)
India’s Private Insurance Market Expected to Grow at 22% CAGR

- Life insurance – Strong value creating growth
  - ABSLI Individual insurance sales grew 46% in 2018 vs private players industry average growth of 11%
  - Embedded value (EV) grew by 10% yoy
  - EV as of Sep 30, 2018 at $783 million

- ABSLI Individual Insurance Sales ($ millions)
  - 2014: 154
  - 2018: 296

- Individual Life Ranking
  - 2014: #8
  - 2018: +17%

- Individual Life Sales CAGR
  - 2014: +40%

- Number of Clients
  - 2M
- Number of locations
  - 431
- Number of Advisors
  - 70K

(1) See appendix to these slides for information on source data referenced by footnote. ABSLI = Aditya Birla Sun Life Insurance
REACHING BEYOND OUR EXISTING MARKET SEGMENTS
Leverage International’s Expertise to Penetrate Untapped Onshore HNW

Asia HNW market is fastest growing globally and expected to nearly double by 2025(1)

More than 80% of International’s offshore Clients are in Asia-Pacific region

Additional untapped onshore opportunities exist in our markets in Asia
  • Leverage capability and expertise of International to capture growth

Providing Distribution Partners with insight, solutions and support to serve and retain their HNW Clients
  • Large case underwriting expertise in a tax and capital efficient environment
  • Over 20 years of distribution experience through global Private Banks and International Brokers
  • Broader HNW product suite that is consistent across the region, available through both SLF and the domestic entities
  • Stronger Sun Life HNW brand through one unified marketing and branding appearance for all Clients and Distribution Partners
  • Best-in-class Client service with consistent due diligence and operational standards, and local language capabilities

PEOPLE AND CULTURE UNDERPIN OUR SUCCESS

Our People are ENGAGED
86% Sun Life Asia 2018 Engagement Index vs. 81% Financial Services Industry Average(1)

Our People are COMMITTED
Voluntary turnover at or below industry average(2)

Our People are DIVERSE

Focusing on gender balance in our management
46% 54%

76% of our Executive Team are of Asian heritage

4 generations and multiple cultures across Asia

(1) Towers Watson Engagement Survey Norm (2) Industry voluntary turnover as of Q4 2018, Towers Watson
WE WILL CONTINUE TO GROW SCALE
And Improve Margins in Each of our Markets

Markets where we are already at scale
- Philippines – Extend leadership position
- Hong Kong – Expand distribution through strategic partnerships
- International – Expand into untapped domestic HNW market
- India AMC – Continue to gain market share

Markets where we have a clear path to scale
- India Life – Improve distribution quality
- China – Focus on sustainable value creation
- Indonesia – Focus on distribution quality
- Vietnam – Improve distribution quality and diversify channels
- Malaysia – Broadening and deepening distribution

(1) See “Forward-looking Statements” in the appendix

ATTRACTION FUNDAMENTALS AND STRONG EXECUTION
SUPPORT DOUBLE-DIGIT EARNINGS GROWTH

15%+ earnings growth(1)

Market Growth Rate
Contribution from Increased Scale
Contribution from Strategic Initiatives
Sun Life Asia Earnings Growth Rate

(1) See “Forward-looking Statements” in the appendix

INVESTOR DAY 2019 | 17

INVESTOR DAY 2019 | 18
KEY MESSAGES

Established in many of Asia’s largest and fastest growing markets with attractive fundamentals to support double-digit growth

Proven track record of success evidenced by our strong financial results

Focus on outcomes for Clients to support business growth
• Continued focus on distribution excellence, driving both quality and reach
• Leveraging Digital, Data & Analytics to transform our operations and the way we do business
• Powered by a highly engaged, energetic workforce led by strong local leadership

APPENDIX

Source Information for Selected Slides

WE ARE WELL-POSITIONED TO CAPTURE GROWTH OPPORTUNITIES
1. We’re a Fund Management Company with strong local presence in Asia
2. Our focus is on Distribution Excellence, driving both quality and reach
3. We leverage Digital, Data & Analytics to transform our operations and the way we do business
4. Powered by a highly engaged, energetic workforce led by strong local leadership

AND WE'RE GROWING FASTER THAN OUR COMPETITORS
1. Net income measures: HDB, AXA, Aviva, Prudential, Sun Life, AIA
2. Growth in net income: HDB, AXA, Aviva, Prudential, Sun Life, AIA

INDIA MUTUAL FUND (ABSLMCA)
1. Source: Bloomberg, as of April 2018
2. Source: State Bank of India, Association of Mutual Funds in India, and ABSLAMC research
4. Source: Association of Mutual Funds in India, based on average assets under management for the quarter ended December 31, 2018

INDIA INSURANCE (ABSLI)
1. Source: Moody’s Investors Service, as of April 2018
2. Source: Moody’s Investors Service, as of April 2018
3. Source: Moody’s Investors Service, as of April 2018
4. Source: Insurance Regulatory Authority of India, based on 2017 annual premiums among private players on calendar year basis

(For full details, see the slide presentations.)
Steve Peacher
President, Sun Life Investment Management

EXPANDING CAPABILITIES ACROSS OUR ASSET CLASSES AND DELIVERING EXCEPTIONAL INVESTMENT PERFORMANCE

KEY MESSAGES

- **Institutional demand** for liability-driven investing, alternative fixed income and real estate is **strong** and **growing**

- **Consistently adding value through exceptional investment performance** across all our solutions and outstanding Client service

- **Expanding capabilities** across our asset classes and Client base

- Sun Life is recognized as a **good owner of asset managers**
OUR TARGET MARKETS CONTINUE TO GROW WITH FAVOURABLE MARKET TRENDS

LDI Assets and Allocations (US$ billions)

Growth of Corporate Fixed Income Allocations

Alternatives Assets Growth (US$ trillions)

Outsourced Insurance Assets (US$ trillions)

Source: Pensions & Investments Top 1000 Largest Plan Sponsor survey

Source: Pensions & Investments Top 1000 Largest Plan Sponsor survey. Included U.S. and global/international fixed income allocations. Top 200 DB Plans as at Sept 30

*Projection
Source and projections: Preqin


LEVERAGING A STRONG FOUNDATION FOR CONTINUED GROWTH

SLIM strategy
Leverages Sun Life’s experience in LDI strategies and alternative asset classes

Develop capabilities
Develop capabilities, launch new products and maintain strong performance

Accelerate growth
Accelerate growth under a cohesive operating model and position for future acquisitions

August 2013
Created SLIM

April 2014
Launched Sun Life Institutional Investments (Canada) Inc.

April 2015
Acquired U.S. based Ryan Labs Asset Management

July 2015
Acquired U.S. based Prime Advisors

September 2015
Acquired North American based Bentall Kennedy

March 2018
Added U.S. based Leveraged Loans Team

December 2018
Announced agreement to merge Bentall Kennedy and GreenOak

TODAY
BENTALL KENNEDY & GREENOAK: COMBINING THE STRENGTHS OF TWO LEADING INVESTMENT MANAGERS

Complementary Operations - Expanded Capabilities - Global Reach

~$14 billion AUM[2][1]

AUM by strategy[2][3]
- Value-add
- Core

AUM by geography[2][3]
- U.S.
- Europe
- Asia

Complementary global platform with combined AUM[3] of $40 billion and 700+ clients[1]

Expands product suite into closed-end, value add and core plus

Achieves greater diversification across geographies (U.S., Europe and Asia)

---

LEVERAGING CORE CAPABILITIES FOR CLIENTS

Investment Capabilities and Co-investment Opportunities Strengthen Client Alignment

Third Party (as at December 31, 2018)

- Public fixed income
- Private fixed income
- Commercial mortgages
- Real estate

General Account (as at December 31, 2018)

- Public fixed income
- Private fixed income
- Cash and other
- Commercial mortgages
- Real estate
- Equity

---

(1) See "Forward-looking Statements" in the appendix
(2) Includes ~$14 billion of AUM and 260 clients (as of December 31, 2018) from the announced agreement to merge Bentall Kennedy and GreenOak. See "Forward-looking Statements" in the appendix
(3) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix
INCREASE IN ASSETS DRIVEN BY ORGANIC GROWTH AND STRATEGIC ACQUISITIONS

Assets Under Management $(

<table>
<thead>
<tr>
<th>Year</th>
<th>SLIC</th>
<th>Ryan Labs</th>
<th>Prime Advisors</th>
<th>Bentall Kennedy</th>
<th>GreenOak</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$49</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$53</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$59</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$80</td>
</tr>
</tbody>
</table>

18% CAGR

Target Operating Margin(2)

20%+

(1) Includes $4.1 billion of AUM as of December 31, 2018 from the announced agreement to merge Bentall Kennedy and GreenOak.
(2) See “Forward-looking Statements” in the appendix.
(3) Represents a Non-GAAP financial measure. See “Non-GAAP Financial Measures” in the appendix.

CONSISTENTLY STRONG INVESTMENT PERFORMANCE(1)

SLIC Inc. Funds Outperformance vs. Benchmarks

- 1-year alpha = Since inception alpha

Prime Advisors, Inc. Performance vs. Aggregate Benchmark

- Percentage of accounts outperforming benchmark

Ryan Labs Asset Management Representative Composite Performance

- 1-year alpha = 3-year alpha = 5-year alpha

Bentall Kennedy Funds Performance vs. Benchmarks

- 1-year = 3-year = 5-year = 10-year

(1) All data as of December 31, 2018. See sources in the appendix.
This page is not intended to solicit investment advisory clients for the relevant companies.
CONTINUED FOCUS ON KEY SUCCESS FACTORS TO DRIVE GROWTH

PERFORMANCE
Outstanding investment performance and Client service

CAPABILITIES
Broad set of yield-oriented investment capabilities that can be used alone or in concert

DISTRIBUTION
Sales efforts organized to bring our complete solution set to Clients

SCALE
Organized for scale and growth through a cohesive operating platform

GROWTH
Increases in AUM, revenue and income

KEY MESSAGES

Institutional demand for liability-driven investing, alternative fixed income and real estate is strong and growing

Consistently adding value through exceptional investment performance across all our solutions and outstanding Client service

Expanding capabilities across our asset classes and Client base

Sun Life is recognized as a good owner of asset managers
APPENDIX

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Sources for Slide 8: Consistently Strong Investment Performance

<table>
<thead>
<tr>
<th>SLIC</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPI Plus Fund</td>
<td>FTSE TMX Canada All Corporate Bond Index</td>
</tr>
<tr>
<td>Long Term PPI Fund</td>
<td>FTSE TMX Canada Long Term Bond Index</td>
</tr>
<tr>
<td>Short Term PPI Fund</td>
<td>FTSE TMX Canada Short Term Corporate Bond Index</td>
</tr>
<tr>
<td>Mortgage Fund</td>
<td>60% FTSE TMX Canada Short-Term Overall Bond Index + 40% FTSE TMX Canada Mid-Term Overall Bond Index</td>
</tr>
<tr>
<td>Ryan Labs</td>
<td>BC Aggregate Index (Bloomberg Barclays US Aggregate Bond Index)</td>
</tr>
<tr>
<td>Core Fixed Income</td>
<td>BC Credit Long Index (Bloomberg Barclays U.S. Long Credit Index)</td>
</tr>
<tr>
<td>Long Credit</td>
<td>Custom Liability Index (10 to 15 years)</td>
</tr>
<tr>
<td>LDI Extended Duration</td>
<td>Custom benchmarks</td>
</tr>
</tbody>
</table>

Sun Life Financial

INVESTOR DAY 2019 | 11
Mike Roberge
Chief Executive Officer, MFS Investment Management

DELIVERING ON OUR PURPOSE, EXECUTING ON STRATEGIC PRIORITIES AND FOCUSING ON CLIENT OUTCOMES

KEY MESSAGES

Proven track record of success and a significant source of revenue and net income opportunity

MFS is differentiated in its ability to deliver consistent long-term investment returns

MFS has been making solid progress on strategic initiatives

MFS is a strong financial contributor to Sun Life and a top quartile asset manager in terms of operating margin(1)
HISTORY OF STRONG EXECUTION
MPS is a Significant Source of Income and Cash Flow

**Net Income**
(US GAAP US$ millions)

- **2014**: $609
- **2018**: $735

**Average Net Assets**
(US$ billions)

- **2014**: $426
- **2018**: $478

**Dividends**
(US$ millions)

- **2014**: $426
- **2018**: $532

(1) Represents a Non-IFRS financial measure. See “Non-IFRS Financial Measures” in the appendix.

ACTIVE REMAINS THE LARGER REVENUE OPPORTUNITY
Money Continues to Flow from Active to Passive

**Net Flows**
(US$ billions)

- **2014**: $367 (Active) 48 (Passive)
- **2015**: $421 (Active) 212 (Passive)
- **2016**: $444 (Active) 285 (Passive)
- **2017**: $672 (Active) 20 (Passive)
- **2018**: $453 (Active) 273 (Passive)

**Revenue**

(1) Represents Retail Net Flows. Source: Strategic Insight. Active Flows exclude money market funds. Passive Flows include Passive ETFs as well as Index Mutual Funds.
(2) Revenue Source: Strategic Insight, calculated using average expense ratios and ending Assets Under Management (“AUM”) for 2017.
**GRADUAL REDUCTION IN FEES ACROSS BOTH ACTIVE AND PASSIVE**

**Actively Managed**
- 2014: 0.86%
- 2015: 0.84%
- 2016: 0.82%
- 2017: 0.78%

**Passively Managed**
- 2014: 0.11%
- 2015: 0.10%
- 2016: 0.09%
- 2017: 0.07%

(1) Source: IC, Lipper, and Morningstar. Active and Passive Average Expense Ratios are measured as asset-weighted averages. Data exclude mutual funds available as investment choices in variable annuities and mutual funds that invest primarily in other mutual funds.

**SHIFT FROM EQUITY TO FIXED INCOME AND DEMAND FOR ALTERNATIVES CONTINUES TO GROW**

Net Flows
- 2014: 44
- 2015: 25
- 2016: 107
- 2017: 260
- 2018: 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity</th>
<th>Fixed Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>(76)</td>
<td>25</td>
</tr>
<tr>
<td>2015</td>
<td>(25)</td>
<td>107</td>
</tr>
<tr>
<td>2016</td>
<td>(258)</td>
<td>(160)</td>
</tr>
<tr>
<td>2017</td>
<td>(261)</td>
<td>2</td>
</tr>
</tbody>
</table>

Alternative Asset Growth
- 2008: 3.1
- 2013: 6.5
- 2017: 8.8

(1) Source IC
(2) Source Preqin

Sun Life is Building Alternatives Capabilities Through SLIM

AUM (Private Debt, Infrastructure, Real Estate, Private Equity, Natural Resources, Hedge Funds)
INDUSTRY CONSOLIDATION
Three Broad Themes Underpinning the Acceleration in Industry Consolidation

1. Broadening Horizons
   - Acquiring to expand product suite or expand into new geographies

2. Go Big
   - Adding scale to find "middle of the P&L" synergies

3. Strategic Partnerships
   - Using a minority stake to enhance distribution capabilities

MFS STRATEGY REMAINS FOCUSED ON FOUR AREAS
Allocating Capital Responsibly Drives What We Do and How We Do It

- ALLOCATING CAPITAL RESPONSIBLY
- PEOPLE
- ALPHA
- GROWTH
- CLIENTS
WORLD CLASS DISTRIBUTION PLATFORM

Starting from a Position of Strength

- World's largest sovereign wealth funds
- World's largest pension funds
- On all 20 of the industry's top 20 U.S. retail dealer platforms
- Top 10 brand awareness amongst U.S. retail managers
- Non-U.S. retail distribution through 17 of the top 20 European banks

May 2018

CLIENT ALIGNMENT

Rooted in our Belief That Taking the Long View is the Right Thing to Do for our Clients

- Elevating opportunities to engage
- Aligning where it matters the most
- Operationalizing our "Why"

Transforming global distribution - US$100M in technology spend™
Investor insights – Formed the Investment Solutions Group
Achieve Client Alignment Vision by partnering with Clients and Partners

2019
MEASURING CONVICTION WITH TIME
Holding Horizon Matters to Outperformance

"Stocks largely held by long-horizon funds outperform stocks largely held by short-horizon funds by 2.4%-3.8% a year, adjusted for risk, over the following five-year period."

Source: Holding Horizon: A New Measure of Active Investment Management, Lai, Moneta, and Weimers, American Finance Association Meetings 2015 Paper. Short horizon funds, on average, hold stocks for 1.85 years, whereas long horizon funds hold stocks for 6.85 years. Universe is US actively managed equity mutual funds, which was created through the intersection of Thomson Reuters mutual fund holdings database and the Center for Research in Security Prices (CRSP) mutual fund database. Final sample was 2,969 equity funds. Data range was March 1960 to December 2013.

INVESTORS’ TIME HORIZON
MFS Invests in Securities That We Expect to Outperform Through a Market Cycle

<table>
<thead>
<tr>
<th>YEARS</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>40+</td>
<td>Sovereign Wealth Fund or Young Professional(1)</td>
</tr>
<tr>
<td>15+</td>
<td>Defined Benefit plan or Young Retiree(1)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MFS</th>
<th>Asset weighted avg. holding period - 10 largest MFS fundamental equity funds(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.6</td>
<td></td>
</tr>
<tr>
<td>MFS</td>
<td>Avg. holding period - 10 largest MFS fundamental equity funds(2)</td>
</tr>
<tr>
<td>5.2</td>
<td></td>
</tr>
<tr>
<td>3.8</td>
<td>Period average U.S. investor holds an equity mutual fund(3)</td>
</tr>
<tr>
<td>1.7</td>
<td>Average holding period for the average equity manager(4)</td>
</tr>
</tbody>
</table>

(1)MFS as of December 2014
(2)Based on the average and asset weighted median of the 10 largest MFS Fundamental Equity Mutual Funds (excluding fund-of-funds) as of 12/31/2018. Average holding periods derived by dividing 100 by average and asset weighted average portfolio turnover, respectively. Funds/individual holding period will be shorter or longer than the average. Each fund’s portfolio turnover can be found on MFS.com.
ENGAGING WITH CLIENTS ON INVESTMENT HORIZON
Sample Rolling Returns, March ’96 – December 2018

ALIGNING WITH CLIENTS ON CAPACITY
Disciplined Approach to Help Preserve Alpha for Existing Clients

<table>
<thead>
<tr>
<th>CLIENTS</th>
<th>Preserving alpha-generating capacity for Clients is paramount</th>
</tr>
</thead>
<tbody>
<tr>
<td>RISK</td>
<td>Risk measure evaluated in the semi-annual risk process</td>
</tr>
<tr>
<td>COMPREHENSIVE METHODOLOGY</td>
<td>Includes quantitative model, qualitative input and non-portfolio considerations</td>
</tr>
<tr>
<td>INCENTIVES</td>
<td>Portfolio Managers are not paid on asset growth</td>
</tr>
<tr>
<td>TRACK RECORD</td>
<td>MFS has a strong track record of closing strategies to protect Clients' interests</td>
</tr>
<tr>
<td>CAPACITY ESTIMATES</td>
<td>Always a range and never a single number</td>
</tr>
</tbody>
</table>
ESG IS EMBEDDED IN OUR INVESTMENT STYLE

Most ESG-Friendly Fund Shops
Firms with the largest proportion of actively managed equity fund assets in products with "high" or "above average" ESG scores:

<table>
<thead>
<tr>
<th>Firm</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFS</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Lazard</td>
<td>A</td>
<td>A+</td>
<td>A</td>
</tr>
<tr>
<td>AMG Funds</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Invesco</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>BlackRock</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Legg Mason</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>J.P. Morgan</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Oppenheimer</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>John Hancock</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Voya</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

Source: Morningstar Direct, December 2018

INDUSTRY LEADING PRI SCORES

<table>
<thead>
<tr>
<th>Module</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy and Governance</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Listed Equity - Incorporation</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Listed Equity - Active Ownership</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Fixed Income - SSA</td>
<td>A+</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Fixed Income - Corporate Financial</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Fixed Income - Corporate Non-Financial</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
<tr>
<td>Fixed Income - Securitized</td>
<td>A</td>
<td>A</td>
<td>A</td>
</tr>
</tbody>
</table>

Source: PRI 2018 Signatory Assessment Report
DIVERSITY DRIVES SUSTAINABLE LONG-TERM VALUE CREATION

HOW WE BUILD TEAMS
Diverse thinkers sharing common beliefs

HOW WE INVEST
Combining diverse viewpoints to build conviction

HOW WE ALIGN
Diversity-driven engagement with the outside world

DIVERSITY OF MFS

MFS VS. INDUSTRY GENDER DIVERSITY AVERAGES:

- Women in C-Suite: 33% (MFS) vs. 17% (Industry Average)
- Women at Officer/Senior Level: 39% (MFS) vs. 22% (Industry Average)

MFS INVESTMENT DIVISION DIVERSITY BY GENDER:

- Investment division are women (up from 12% in 2010): 25%
- New hires over the last 5 years are women (50% in 2017 alone): 33%
- MFS’ employee population are women: 39%

MFS INVESTMENT DIVISION DIVERSITY BY CULTURE:

- Investment employees ex-US: 36%
- MFS assets ex-US: 25%
- Institutional assets ex-US: 71%

Notes:
INVESTMENT PERFORMANCE REMAINS STRONG AGAINST PEERS...

<table>
<thead>
<tr>
<th>% of MFS Funds’ Class A Share Assets ranked in the top half of their Lipper category</th>
<th>1 yr.</th>
<th>3 yrs.</th>
<th>5 yrs.</th>
<th>10 yrs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Funds</td>
<td>70%</td>
<td>78%</td>
<td>79%</td>
<td>94%</td>
</tr>
<tr>
<td>Fixed-Income Funds</td>
<td>61%</td>
<td>66%</td>
<td>59%</td>
<td>86%</td>
</tr>
<tr>
<td>Global &amp; International Equity Funds</td>
<td>99%</td>
<td>100%</td>
<td>91%</td>
<td>91%</td>
</tr>
<tr>
<td>Domestic Equity Funds</td>
<td>66%</td>
<td>77%</td>
<td>83%</td>
<td>97%</td>
</tr>
</tbody>
</table>

All Funds in the bottom quartile:
- 5% 1% 4% 3%

Data as of December 31, 2018.
Lipper rankings do not take into account sales charges and are based on historical total returns, which are not indicative of future results. Note that rankings are based on the MFS A share class as compared to performance of all share classes and sector load types as reported by Lipper in a particular classification.
Excludes Clarity End-, Money Market, VIP, and Offshore funds. The MFS Institutional Large Cap Value Fund and the MFS Institutional International Equity Fund are included in the Domestic Equity and Global Equity sections, respectively.
Past performance is no guarantee of future results.

AND IS A LEADER IN LONG-TERM PERFORMANCE...

Average Barron’s 10-year Ranking Over the Last 5 Years for Firms Who Made the Top 20 all 5 Years

<table>
<thead>
<tr>
<th>Firms</th>
<th>MFS</th>
<th>T Rowe</th>
<th>Vanguard</th>
<th>John Hancock</th>
<th>JPMorgan</th>
<th>Delaware</th>
<th>Columbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Barron’s Ranking</td>
<td>3.8</td>
<td>4.8</td>
<td>6.0</td>
<td>7.8</td>
<td>8.0</td>
<td>9.8</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Barron’s rankings of MFS Family of Funds. (Based on performance as of 12/31/16 for 2016) 10-Year #8 OUT OF 49 9-Year #9 OUT OF 50 8-Year #12 OUT OF 57 Source: Barron’s, “Best Fund Families of 2018”, March 5, 2019. Barron’s rankings are based on asset-weighted returns in five categories — U.S. equity funds, world equity funds (excluding emerging markets), emerging markets equity funds, world large-cap equity funds, and world small/mid-cap equity funds. Rankings may not include sales charges in calculating returns. Each fund’s return is measured against those of all funds in its Lipper category, resulting in a percentile ranking; which, in turn, weighted by assets to determine the fund family’s overall ranking in its Lipper category. For example, a fund family’s overall ranking in its Lipper category is based on a weighted average of the fund family’s return over the past five years. Past performance is no guarantee of future results. SUN LIFE FINANCIAL | INVESTOR DAY 2019 | 19 | 20 |
WHERE IT BEAT PASSIVE BENCHMARKS
1-month roll-forwards

<table>
<thead>
<tr>
<th>COMPOSITE</th>
<th>BENCHMARK</th>
<th>AVG EXCESS RETURNS*</th>
<th>% OF PERIODS OUTPERFORMING</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFS Large Cap Value Equity</td>
<td>Russell 1000 Value - Total Return</td>
<td>1.47</td>
<td>99%</td>
</tr>
<tr>
<td>MFS Global Equity</td>
<td>MSCI The World Index - Net Return</td>
<td>2.95</td>
<td>100%</td>
</tr>
<tr>
<td>MFS International Value Equity</td>
<td>MSCI EAFE Value - Net Return</td>
<td>4.96</td>
<td>100%</td>
</tr>
<tr>
<td>MFS Growth Equity</td>
<td>Russell 1000 Growth - Total Return</td>
<td>1.02</td>
<td>89%</td>
</tr>
<tr>
<td>MFS International Equity</td>
<td>MSCI EAFE - Net Return</td>
<td>2.40</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Rolling Excess Returns net of fees as of 12/31/2018, 121 total periods. Average annualized returns for the MFS large cap value, MFS global, MFS international value, MFS growth, and MFS international equity composite. Source: Performance data from FVMF, FactSet Research Systems Inc. It is not possible to invest directly in an index. Please see performance methodology and composite report in appendix for performance and other information.

Past performance is not a reliable indicator of future results. All financial investments involve an element of risk. The value of investments may rise and fall so you may get back less than originally invested. Investors should consider the risks, including lower returns, related to currency movements between the investor’s base currency and the portfolio’s base currency, if different. All persons greater than one year are annualized. Periods less than one year are not annualized.

Past performance is no guarantee of future results.

STRATEGIC INITIATIVES
Key Initiatives and Differentiators That are Critical to our Success

SUCCESS FACTORS

- Big Data
- Sustainability
- Diversity

Client Alignment
Ensuring our actions support our brand

Grow Non-US
Identifying key markets for further growth

Create value by allocating capital responsibly

Diversify to Fixed Income
Aligning with clients' needs
GEOGRAPHIC SEGMENTS BY MARKET ADDRESSABILITY
Growing Outside the U.S. is a Priority

5Yr. Total Revenue Opportunity by 5Yr. Net Flows
2018-2022, $B, By Country

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BUILD-OUT OF FIXED INCOME CAPABILITIES
Measurable Progress in the Last Two Years

Fixed Income Investment Professionals
+18%

Institutional Client Meetings
+65%

RFPs
+26%
GAINING AN ADVANTAGE THROUGH BIG DATA/TECHNOLOGY
Employ Data Analytics to Drive Better Client Outcomes

- Embrace new trends in information technology...
  - Artificial intelligence
  - Digital
  - Customer Relationship Management
  - Advanced analytics

- and partner with leading experts...
  - Universities
  - Leading consultants

- to drive better business outcomes.
  - Client engagement quality
  - Personalized digital experience
  - Enhanced insights
  - Data privacy and protection

ASSETS UNDER MANAGEMENT DIVERSIFICATION
Growing Fixed Income and Non-U.S. Retail Remain our Highest Growth Priorities

2018
US$428 billion

MFS Average Net Assets(1)
(US$ billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>426</td>
<td>434</td>
<td>422</td>
<td>461</td>
<td>478</td>
</tr>
</tbody>
</table>

(1) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix.
MFS COST STRUCTURE FLEXIBILITY

TOTAL COMPANY EXPENSES
- Fixed 7%
- Variable Discretionary - LT 26%
- Variable Volume / Formulaic 59%

PERSONNEL EXPENSES
(50% of Total Expenses)
- Amortization of Deferred Compensation 20%
- Salaries and Benefits 30%
- Variable Compensation 41%
- Sales Commissions 9%

Based on full year 2018 expenses

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PRE-TAX INCOME AND MARGINS SUPPORT STRONG CASH GENERATION
Over US$2 billion in Dividends Paid in the 5-year Period Ending December 2018

US GAAP Pre-Tax Net Income and Operating Profit Margins\(^{(1)}\)
(USS billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre-tax Margins</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>938 40.9%</td>
</tr>
<tr>
<td>2015</td>
<td>927 39.7%</td>
</tr>
<tr>
<td>2016</td>
<td>826 36.4%</td>
</tr>
<tr>
<td>2017</td>
<td>937 38.4%</td>
</tr>
<tr>
<td>2018</td>
<td>947 38.2%</td>
</tr>
</tbody>
</table>

Dividends Paid
(USS millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>426</td>
</tr>
<tr>
<td>2015</td>
<td>414</td>
</tr>
<tr>
<td>2016</td>
<td>387</td>
</tr>
<tr>
<td>2017</td>
<td>452</td>
</tr>
<tr>
<td>2018</td>
<td>532</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Represents a Non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix

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KEY MESSAGES

Proven track record of success and a **significant source of revenue and net income opportunity**

MFS is differentiated in its ability to deliver **consistent long-term investment returns**

MFS has been making **solid progress** on strategic initiatives

MFS is a **strong financial contributor** to Sun Life and a **top quartile asset manager** in terms of operating margin

---

APPENDIX

Performance Presentation Report 2018, Q4

Composites: MFS International Equity Composite
Benchmark: MSCI EAFE - Net Return

Inception Date: 11-Dec-1997

Investment Objective: Seeks capital appreciation to investors primarily through investment in equity securities issued by companies around the world.

Strategies:

- Global Equity
- REITs
- International
- EM

Institutional/Non-Institutional

- Institutional
- Non-Institutional

Performance Presentation Report 2018, Q4

Table: Comparative Performance

<table>
<thead>
<tr>
<th>Period</th>
<th>Composite</th>
<th>Composite benchmark</th>
<th>Annualized 3-year</th>
<th>Assets in Composite</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Returns</td>
<td>Returns</td>
<td>Return</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td>(Net of fees)</td>
<td>(Net of fees)</td>
<td>(Net of fees)</td>
<td>Value</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>16.01</td>
<td>32.00</td>
<td>9.36</td>
<td>11.24</td>
</tr>
<tr>
<td>2018</td>
<td>9.50</td>
<td>19.55</td>
<td>6.16</td>
<td>6.16</td>
</tr>
<tr>
<td>2019</td>
<td>9.50</td>
<td>21.50</td>
<td>6.13</td>
<td>6.13</td>
</tr>
<tr>
<td></td>
<td>19.00</td>
<td>38.00</td>
<td>9.00</td>
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<td></td>
<td>21.00</td>
<td>41.00</td>
<td>10.00</td>
<td>10.00</td>
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<td></td>
<td>22.00</td>
<td>43.00</td>
<td>11.00</td>
<td>11.00</td>
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<tr>
<td></td>
<td>23.00</td>
<td>45.00</td>
<td>12.00</td>
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<tr>
<td></td>
<td>24.00</td>
<td>47.00</td>
<td>13.00</td>
<td>13.00</td>
</tr>
<tr>
<td></td>
<td>25.00</td>
<td>49.00</td>
<td>14.00</td>
<td>14.00</td>
</tr>
</tbody>
</table>

Institutional and Non-Institutional Accounts Breakouts:

- Institutional
- Non-Institutional

Total net assets in the MFS International Equity Composite are shown at the end of the quarter. The performance data shown has been calculated on an accrual basis, reflecting the reinvestment of dividends and capital gains. The performance data is unaudited and is subject to change. The performance figures are shown net of all fees. The information is provided for illustration purposes only and should not be relied upon for investment decision-making. Past performance is not indicative of future results. Before investing, please consider the investment objectives, risks, fees and expenses of the fund carefully. For more information, please see the fund’s prospectus. You may obtain the prospectus by calling 1-800-345-6621. Read it carefully before you invest or send money. The fund’s returns are not guaranteed. This report is for informational purposes only and does not constitute investment advice.

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Performance Presentation Report 2018, Q4

### Company: MFS Global Equity Fund

**Benchmark: MSCI World Index**

#### Performance Overview

<table>
<thead>
<tr>
<th>Period</th>
<th>Returns %</th>
<th>Benchmark</th>
<th>Returns %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.92</td>
<td>7.71</td>
<td>1.20</td>
</tr>
<tr>
<td>2018</td>
<td>5.83</td>
<td>5.15</td>
<td>0.68</td>
</tr>
<tr>
<td>2019</td>
<td>3.52</td>
<td>4.27</td>
<td>0.75</td>
</tr>
</tbody>
</table>

#### Distribution

<table>
<thead>
<tr>
<th>Period</th>
<th>Dividends</th>
<th>Capital Gains</th>
<th>Total Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.62</td>
<td>0.62</td>
<td>1.20</td>
</tr>
<tr>
<td>2018</td>
<td>0.42</td>
<td>0.28</td>
<td>0.68</td>
</tr>
<tr>
<td>2019</td>
<td>0.36</td>
<td>0.20</td>
<td>0.56</td>
</tr>
</tbody>
</table>

**Note:** The fund pays monthly dividends.

---

**Investor Day 2019**

### Performance Presentation Report 2018, Q4

**Company: MFS Core Equity Fund

**Benchmark: MSCI World Index**

#### Performance Overview

<table>
<thead>
<tr>
<th>Period</th>
<th>Returns %</th>
<th>Benchmark</th>
<th>Returns %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.92</td>
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<td>0.28</td>
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</tr>
<tr>
<td>2019</td>
<td>0.36</td>
<td>0.20</td>
<td>0.56</td>
</tr>
</tbody>
</table>

**Note:** The fund pays monthly dividends.

---

**Investor Day 2019**
Forward-Looking Statements

Certain statements made in the Investor Day presentations are forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements made in the Investor Day presentations include, but are not limited to, statements relating to our growth strategies, financial objectives, future results of operations, and strategic goals, (i) relating to our medium-term financial objectives, (ii) relating to productivity and expense initiatives, growth initiatives, outlook, and other business objectives, (iii) relating to the impact of the acquisition of Bentall Kennedy and GreenOak and our acquisition of a majority stake in the combined entity, (iv) that are predictive in nature and that depend upon or refer to future events or conditions, and (v) that include words such as “ambition”, “anticipate”, “aspiration”, “assume”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “trend”, “target”, “will” and similar expressions.

The forward-looking statements made in the Investor Day presentations are stated as at March 26, 2019, represent our current expectations, estimates and projections regarding future events and are not historical facts. Forward-looking statements are not a guarantee of future performance and involve assumptions and risks and uncertainties that are difficult to predict.

The forward-looking statements made in the Investor Day presentations are forward-looking non-IFRS financial measures. Our ability to achieve those objectives is dependent on our success in achieving growth initiatives, business objectives and on certain key assumptions that include: (i) no significant changes in the level of interest rates; (ii) average total equity market return of approximately 8% per annum; (iii) credit experience in line with best estimate actuarial assumptions; (iv) no significant changes in the level of our regulatory capital requirements; (v) no significant changes to our effective tax rate; (vi) no significant increase in the number of shares outstanding; (vii) no material assumptions changes including updates to the economic scenario generator and no material accounting standard changes; and (viii) our best estimate actuarial assumptions used in determining our insurance and investment contract liabilities. Our underlying ROE is dependent upon capital levels and options for deployment of excess capital. Our medium-term financial objectives do not reflect the indirect effects of interest rate and equity market movements including the potential impacts on goodwill or the current valuation allowance on deferred tax assets as well as other items that may be non-operational in nature.

Our target dividend payout ratio of 40%-50% of our underlying net income assumes that economic conditions and our results will enable us to maintain our payout ratio in the target range, while maintaining a strong capital position. The declaration, amount and payment of dividends is subject to the approval of SLF Inc.’s Board of Directors and our compliance with the capital requirements in the Insurance Companies Act (Canada). Additional information on dividends is provided in SLF Inc.’s annual and interim management’s discussion and analyses.

Medium-Term Financial Objectives

The Company’s medium-term financial objectives are forward-looking non-IFRS financial measures. Our ability to achieve those objectives is dependent on our success in achieving growth initiatives and business objectives and on certain key assumptions that include: (i) no significant changes in the level of interest rates; (ii) average total equity market return of approximately 8% per annum; (iii) credit experience in line with best estimate actuarial assumptions; (iv) no significant changes in the level of our regulatory capital requirements; (v) no significant changes to our effective tax rate; (vi) no significant increase in the number of shares outstanding; (vii) no significant change in the number of shares outstanding; (viii) no key assumptions that are predictive in nature and consistent with our best estimate assumptions, no material assumption changes including updates to the economic scenario generator and no material accounting standard changes; and (ix) our best estimate actuarial assumptions used in determining our insurance and investment contract liabilities. Our underlying ROE is dependent upon capital levels and options for deployment of excess capital. Our medium-term financial objectives do not reflect the indirect effects of interest rate and equity market movements including the potential impacts on goodwill or the current valuation allowance on deferred tax assets as well as other items that may be non-operational in nature.

Our target dividend payout ratio of 40%-50% of our underlying net income assumes that economic conditions and our results will enable us to maintain our payout ratio in the target range, while maintaining a strong capital position. The declaration, amount and payment of dividends is subject to the approval of SLF Inc.’s Board of Directors and our compliance with the capital requirements in the Insurance Companies Act (Canada). Additional information on dividends is provided in SLF Inc.’s annual and interim management discussion and analyses.

Although considered reasonable by the Company, we may not be able to achieve our medium-term financial objectives as the assumptions on which these objectives were based may prove to be inaccurate. Accordingly, our actual results could differ materially from our medium-term financial objectives. Our medium-term financial objectives do not constitute guidance.

In the Investor Day presentations, where we refer to our earnings growth objectives for each of our pillars, we use the term “earnings” to refer to underlying net income.

Peer Groups included in TSR chart

Risk Factors

Important risk factors that could cause our assumptions and estimates, and expectations and projections to be inaccurate and our actual results or events to differ materially from those expressed in or implied by the forward-looking statements made in the Investor Day presentations, including our medium-term financial objectives, are set out below. The realization of our forward-looking statements, including our ability to meet our medium-term financial objectives, essentially depends on our business performance which, in turn, is subject to many risks. Factors that could cause actual results to differ materially from expectations include, but are not limited to: credit risks – related to issuers of securities held in our investment portfolio; asset, structuring and servicing processes; market risks – related to the performance of equity markets; changes or volatility in interest rates or credit spreads; real estate investments; and fluctuations in foreign currency exchange rates; insurance risks – related to policyholder behaviour, mortality experience, mortality experience and longevity, product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; business and strategic risks – related to global economic and political conditions; the design and implementation of business strategies; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; changes in the legal or regulatory environment, including capital requirements and tax laws; the environment, environmental laws and regulations; tax matters, including estimates and judgments used in calculating taxes; our international operations, including our joint ventures; market conditions that affect our capital position or ability to raise capital; downgrades in financial strength or credit ratings; and the impact of mergers, acquisitions, divestitures and dispositions; operational risks – related to breaches or failure of information systems and technology, including cyber-attacks; our ability to attract and retain employees; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; the execution and integration of mergers, acquisitions, strategic investments and divestitures; our information technology infrastructure; a failure of information systems and Internet-enabled technology; dependence on third-party relationships, including outsourcing arrangements; business continuity; model errors; information management; and liquidity risks – the possibility that we will not be able to fund cash outflows as they fall due.

The following risk factors are related to the merger of Bentall Kennedy and GreenOak and our acquisition of a majority stake in the combined entity that could have a material adverse effect on our forward-looking statements: (1) the ability of the parties to complete the transaction; (2) failure of the parties to obtain necessary consents and approvals or to otherwise satisfy the conditions to the completion of the transaction in a timely manner, or at all; (3) our ability to realize the financial and strategic benefits of the transaction; (4) failure to effectively or efficiently reorganize the operations of Bentall Kennedy and GreenOak after the transaction has closed; and (5) the impact of the announcement of the transaction and the dedication of the Company’s resources to completing the transaction on Bentall Kennedy and GreenOak. These risks all could have an impact on our business relationships (including with future and prospective employees, Clients, distributors and partners) and could have a material adverse effect on our current and future operations, financial conditions and prospects.

The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of the Investor Day presentations or to reflect the occurrence of unanticipated events, except as required by law.

Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full-year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable to similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning these non-IFRS financial measures and reconciliations to the closest IFRS measures are included in SIF’s Annual and Interim Management’s Discussion and Analysis and the Supplementary Financial Information packages that are available on www.silicor.com under Investors – Financial results & reports.

Underlying net income (loss) and financial measures based on underlying net income (loss), including underlying EPS or underlying loss per share, and underlying ROE, are non-IFRS financial measures. Underlying net income (loss) removes from reported net income (loss) the impact of the following items that create volatility in our results under IFRS and when removed assist in explaining our results from period to period:

(a) market-related impacts that differ from our best-estimate assumptions, which include: (i) impact of returns in equity markets; net of hedging, for which our best-estimate assumptions are approximately 2% per quarter. This also includes the impact of the basis risk inherent in our hedging program, which is the difference between the return on underlying funds of products that provide benefit guarantees and the return on the derivative assets used to hedge these benefits guarantees; (ii) the impact of changes in interest rates in the reporting period and on the value of derivative instruments used in our hedging programs including changes in credit and swap spreads; and any changes to the assumed fixed income reinvestment rates in determining the actuarial liabilities; and (iii) the impact of changes in the fair value of investment properties in the reporting period;
(b) assumption changes and management actions, which include: (i) the impact of revisions to the methods and assumptions used in determining our liabilities for insurance contracts and investment contracts and (ii) the impact on insurance contracts and investment contracts of actions taken by management in the current reporting period referenced to management actions which include, for example, changes in the prices of in-force products; new or revised reinsurance on in-force business; and material changes to investment policies for assets supporting our liabilities; and
(c) Other adjustments: (i) certain hedges in SIF-Canada that do not qualify for hedge accounting - this adjustment enhances the comparability of our net income from period to period, as it reduces volatility to the extent it will be offset over the duration of the hedges; (ii) fair value adjustments on MTS’s share-based payment awards that are settled with MTS’s own shares and accounted for as liabilities and measured at fair value each reporting period until they are vested, exercised and repurchased - this adjustment enhances the comparability of MTS’s results with publicly traded asset managers in the United States; (iii) acquisition, integration and restructuring costs (including impacts related to acquiring and integrating acquisitions); and (iv) other items that are unusual or exceptional in nature.

All factors discussed in the Investor Day presentations that impact our underlying net income are also applicable to reported net income.

All EPS measures in the Investor Day presentations refer to fully diluted EPS, unless otherwise stated. Underlying EPS excludes the dilutive impact of convertible instruments.
Management also uses the following non-IFRS financial measures:
1. Return on equity
2. Financial leverage ratio
3. Dividend payout ratio
4. Sales
5. Value of New Business
6. Adjusted revenue
7. Adjusted premiums and deposits
8. Pre-tax net operating profit margin ratio for MPS
9. After-tax profit margin for SLF U.S. Group Benefits
10. Impact of foreign exchange
11. Assumption changes and management actions
12. Real estate market sensitivities
13. Other: Management also uses the following non-IFRS financial measures for which there are no comparable financial measures in IFRS: (i) AUM premium and deposit equivalents, mutual fund sales, managed fund sales, insurance sales, and total premiums and deposits; (ii) AUM, mutual fund assets, managed fund assets, other AUM, and assets under administration; (iii) the value of new business, which is used to measure the estimated lifetime profitability of new sales and is based on actuarial calculations; and (iv) assumption changes and management actions, which is a component of our sources of earnings disclosure. Sources of earnings is an alternative presentation of our Consolidated Statements of Operations that identifies and quantifies various sources of income. The Company is required to disclose its sources of earnings by its principal regulator, the Office of the Superintendent of Financial Institutions.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Common shareholders’ reported net income (loss)</td>
<td>$2,022</td>
<td>$2,144</td>
<td>$2,488</td>
<td>$2,158</td>
<td>$1,762</td>
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<tr>
<td>Impact of certain hedges that do not qualify for hedge accounting</td>
<td>4</td>
<td>10</td>
<td>0</td>
<td>21</td>
<td>7</td>
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<tr>
<td>Fair value adjustments on share-based payment awards at MPS</td>
<td>0</td>
<td>0</td>
<td>12</td>
<td>9</td>
<td>125</td>
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<tr>
<td>Acquisition integration and restructuring</td>
<td>0</td>
<td>13</td>
<td>27</td>
<td>86</td>
<td>86</td>
</tr>
<tr>
<td>Net equity market impact</td>
<td>174</td>
<td>62</td>
<td>21</td>
<td>138</td>
<td>44</td>
</tr>
<tr>
<td>Net interest rate impact</td>
<td>91</td>
<td>157</td>
<td>34</td>
<td>65</td>
<td>179</td>
</tr>
<tr>
<td>Net increases (decreases) in the fair value of investment properties</td>
<td>7</td>
<td>0</td>
<td>23</td>
<td>26</td>
<td>13</td>
</tr>
<tr>
<td>Assumption changes and management actions / other items</td>
<td>195</td>
<td>170</td>
<td>41</td>
<td>19</td>
<td>217</td>
</tr>
<tr>
<td>Common shareholders’ underlying net income (loss)</td>
<td>$2,047</td>
<td>$2,544</td>
<td>$2,333</td>
<td>$2,305</td>
<td>$1,815</td>
</tr>
</tbody>
</table>

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