INVESTOR DAY 2017

Thursday, March 9, 2017

SUN LIFE FINANCIAL INC.

Sun Life Financial

Life's brighter under the sun

Forward-looking statements

Certain statements in the Investor Day Presentations prepared for the Sun Life Financial Investor Day 2017 held on March 9, 2017 and certain oral statements made by senior management at the Sun Life Financial Investor Day 2017 (collectively, the "Investor Day Presentations"), including, but not limited to, statements relating to the medium-term financial objectives (the "financial objectives") of Sun life Financial Inc. (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 are made as of March 9, 2017. Except as may be required by Canadian securities laws, 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.

Operating net income (loss), operating earnings per share ("EPS"), operating return on equity ("ROE"), operating profit margin, underlying net income (loss), underlying EPS, underlying ROE, sales, adjusted premiums and deposits, assets under management ("AUM"), average net assets ("ANA"), assets under administration ("AUA"), business in-force ("BIF"), sources of earnings measures (expected profit, new business strain, experience gains (losses), assumption changes and management actions and earnings on surplus) and value of new business ("VNB") are non-IFRS financial measures.

Results for 2012 and 2013 are based on Continuing Operations.

Financial Objectives

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

Additional Information

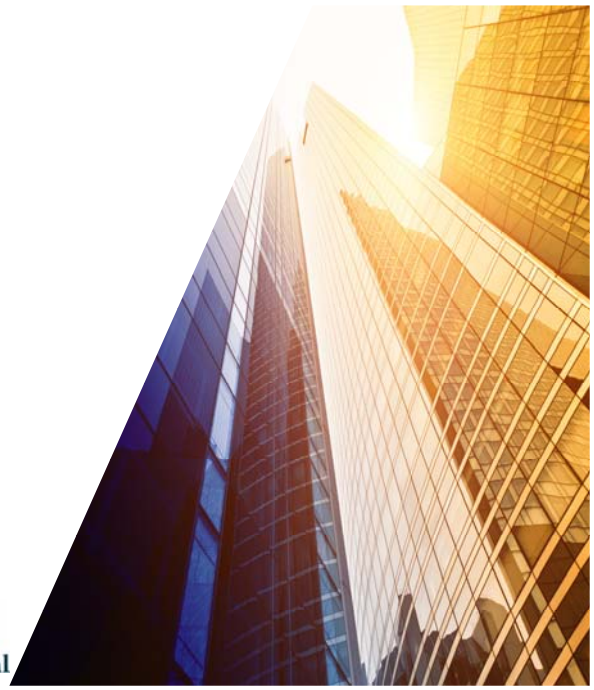
Additional information concerning forward-looking statements, non-IFRS financial measures and the Company's financial objectives is included in the slides entitled "Forward Looking Statements and Non-IFRS Financial Measures" which is included in the Appendix to Investor Day presentations.

AGENDA

SUN LIFE FINANCIAL INVESTOR DAY 2017

- Strategic Overview, Dean Connor
- SLF U.S., Dan Fishbein, Neil Haynes, David Healy
- SLF Canada, Kevin Dougherty
- Break
- MFS Investment Management, Mike Roberge
- SLF Asia, Kevin Strain
- Financial Overview, Colm Freyne
- Closing Remarks, Dean Connor
- Meeting End

Sun Life Financial



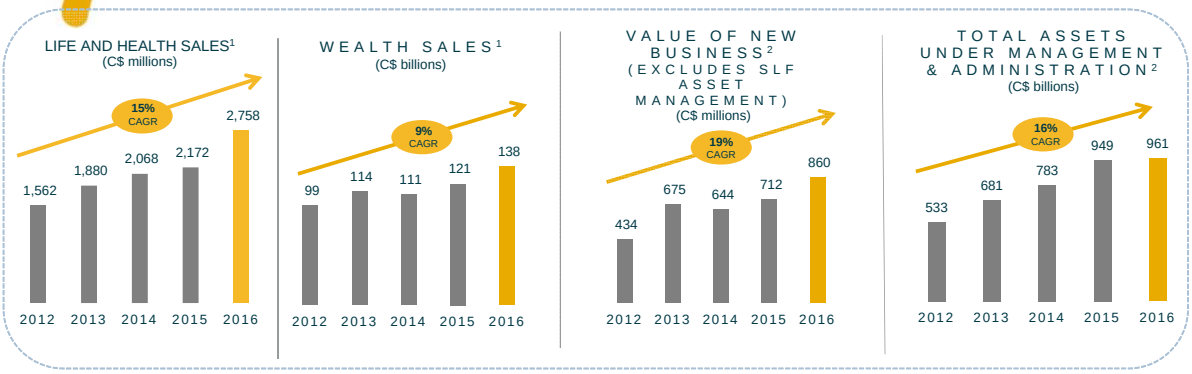
DEAN CONNOR

President and Chief Executive Officer

KEY MESSAGES

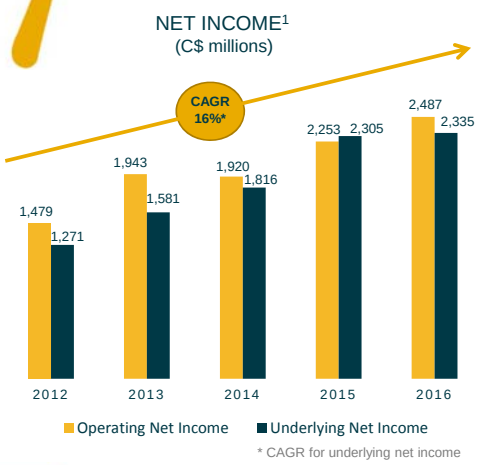
1	Over past five years, we have built a strong defense and offense
2	Four at-scale, competitive pillars with excellent growth prospects ▪ Culture change ▪ Organic investments hitting their stride ▪ Track record of disciplined capital allocation
3	For the next leg, our objective is to become one of the best insurance and asset management companies in the world
4	This will require a step-change in Client relationships – a new journey
5	Supports our medium-term objectives of 8-10% average annual underlying EPS growth, 12-14% underlying ROE and a strong dividend payout ratio of 40-50% of underlying net income

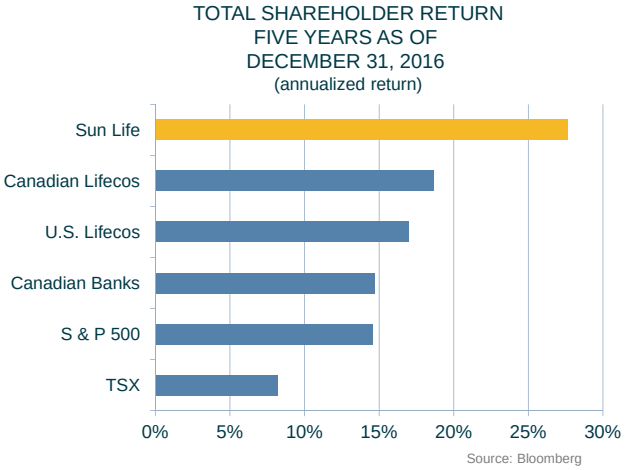
PAST FIVE YEARS HAVE BEEN SUCCESSFUL…



[1] Life & health and wealth sales are based on JV proportionate ownership
[2] All measurements represent non-IFRS financial measures. For additional information see non-IFRS Financial Measures in our 2016 annual Management's Discussion and Analysis.

...AND WE'VE BUILT MOMENTUM

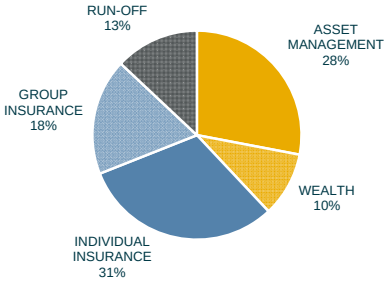




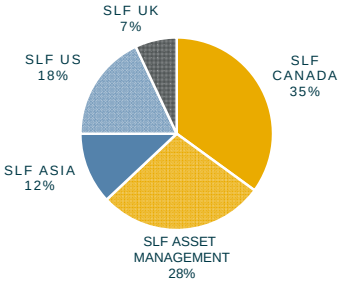
[1] All measurements represent non-IFRS financial measures. For additional information see non-IFRS Financial Measures in our 2016 annual Management's Discussion and Analysis.

WE'VE BUILT A STRONG DEFENSE...

BUSINESS DIVERSIFICATION
2016 UNDERLYING NET INCOME



GEOGRAPHIC DIVERSIFICATION
2016 UNDERLYING NET INCOME



20% of underlying net income comes from Asia[2]

01	02	03[1]	04	05
No direct U.S. Variable Annuity or Long-Term Care Exposure	Relatively low market risk exposure	243% MCCSR (SLF), $800M of Holdco cash, 23% leverage ratio	Strong risk management culture	Balanced and diversified portfolio to deliver across cycles

[1] As of December 31, 2016 pro forma $800 million subordinated debt redemption on March 2, 2017.
[2] Includes SLF Asia, International High Net Worth Asia, MFS Asia Pacific.

...AND WE'VE BUILT A STRONG OFFENSE

Large investment in organic growth that will contribute to earnings growth

- Defined Benefit Solutions
- Sun Life Global Investments
- Retail Wealth in SLF Canada
- Client Solutions

- Digital Health Business
- Vietnam and Indonesia
- Sun Life Investment Management
- SLF U.S. Voluntary Benefits
- MFS Blended Research Strategies

Disciplined allocation of $2.5 billion in inorganic growth that will be accretive to earnings

- U.S. Employee Benefits
- Bentall Kennedy
- Prime Advisors
- Ryan Labs

- Malaysia
- Vietnam
- Indonesia
- India
- Hong Kong MPF

STRONG MARKET POSITIONS FOR ALL FOUR PILLARS

CAN

Canada

#1 in Group Benefits
#1 in Group Retirement Services
#2 in Retail Life Insurance
#1 Career Advisor Network

US

U.S. Group Benefits

#6 in Group Benefits
#1 in stand alone Stop-loss
#10 in Voluntary Benefits
#2 Private Dental Network

AM

Asset Management

#33 in Asset Management globally with $625 billion of AUM
MFS viewed as a premier player
#6 in Core/Core Plus real estate investment management in North America

ASIA

Asia

#6 in Net Income
#6 in Sales
Fastest growing life insurer among foreign multinationals
5 businesses where we are top 5 in the market

Please see appendices for market position rankings source information

CLEAR STRATEGY + ALIGNMENT + HIGH PERFORMANCE CULTURE = STRONG EXECUTION AND VALUE CREATION

2012
- Introduced our four pillar strategy[1]
- Formed PVI Sun Life in Vietnam
- Stopped selling U.S. individual life insurance products
- Announced sale of U.S. annuities business

2013
- Completed the sale of the U.S. annuities business
- Entered Malaysia through JV partnership

2014
- Launched Sun Life Investment Management

2015
- Announced acquisition of Assurant Employee Benefits Business, Bentall Kennedy, Ryan Labs, Prime Advisors

2016
- Took full ownership of CIMB Sun Life in Indonesia
- Announced acquisition of HK MPF businesses
- Completed increased ownership interest in India insurance JV and Vietnam buy-out

Talent ~ Culture ~ Accountability

[1] At Investor Day 2012 on March 8, 2012

LOOKING AHEAD, CLIENTS NEED US MORE THAN EVER

Those who have a financial plan sleep better and save more	Yet over 80% of Canadians don't have a comprehensive financial plan, and less than 70% of households have life insurance at all[1]
6/10 Canadians said that health and dental coverage is very important to their decision when considering a new position or job[2]	Yet employers question whether they get optimal value for dollars they spend on benefits
94% of employees consider ancillary benefits to be important when choosing between job offers[3]	Yet, 91% of employers say that employees don't fully understand the value of their benefits[4]
The shift to passive investment management continues	Yet by definition 100% of these investments will underperform the market net of fees, forfeiting alpha potential at a time when real yields are low
A typical Defined Benefits pension plan hasn't been fully funded for 10 years	Yet the opportunity exists to lock in a fully funded status
Over the next 15 years, over 2 billion[5] people will move into the middle class in the Asia Pacific region	Yet there aren't enough high quality professional advisors to meet this demand

Truth is, we need to, and can, do a much better job to meet those needs

[1] Ipsos Research, 2016 Canadians and Financial Advice, LIMRA's 2013 Canadian Life Insurance Ownership Study; [2] Benefits Canada, April 2014; [3]Closing the benefits gap, October 2016, [4]Employer Voices Benefits Trends, June 2016, [5]Brookings Institution, February 2017

SETTING A BOLD NEW OBJECTIVE

"Our ambition is to be ONE OF THE BEST insurance and asset management companies globally"

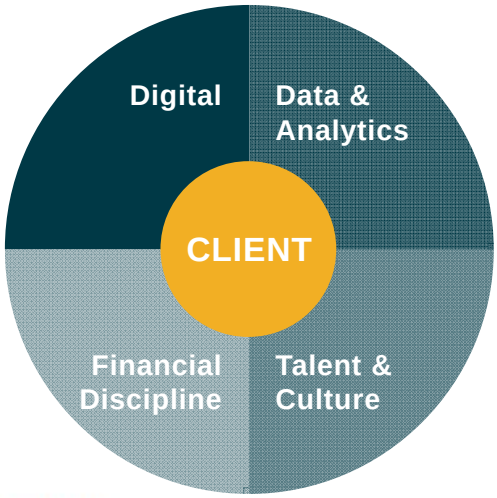
- Each pillar viewed as one of the best in its markets
- Top Quartile Client Experience
- Disproportionate Share of Top Talent
- Top Quartile TSR

OUR FOUR PILLAR STRATEGY

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 U.S. GROUP BENEFITS AND INTERNATIONAL HIGH NET WORTH SOLUTIONS (US)
A LEADER IN GLOBAL ASSET MANAGEMENT (AM)	A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS (ASIA)

ACHIEVING THE OBJECTIVE REQUIRES FOCUS IN FIVE AREAS



CLIENT FOR LIFE: A STEP CHANGE

From:	To:
Customers	Clients
Product sale	Advice and solutions
One-time interaction	A lifetime relationship
Reactive	Proactive: Sun Life has my back
Insurance jargon	Language that people understand
Complex paper driven processes	Simplified digital process

THIS WILL FEEL DIFFERENT

- Relationship with Clients will change
- Relationship with Advisors will change
- Innovation and adoption, test and learn
- New key performance indicators, communications, incentives, investments – in short, everything changes

BETTER CLIENT EXPERIENCE = BETTER BUSINESS RESULTS

More proactive contact with our Clients

- Welcome calls to new plan members
- Nudges from Digital Benefits Assistant
- Contacting Clients on behalf of advisors
- Benefit Profile Tool

Easier to do business with us

- Mobile & Web Apps
- The Brighter Way
- Underwriting modernization

Effective problem resolution

- New front line training
- Timely and empathetic
- The Brighter Way

Clients Will

- ✓ Do more business with Sun Life
- ✓ Stay with us longer
- ✓ Refer more friends and family

….. and we will achieve our purpose

LEVERAGING DIGITAL AND DATA TO ENHANCE CLIENT RELATIONSHIPS

Personalized and proactive

- Reaching Clients at the right moments
- Personally relevant and useful

New digital business models

- Broadening access to Clients
- Telcos, digital health solutions, private exchanges

Leveraging Data

- New sources of data
- Tools to tease out new Client insights

Investment in Digital and Data capabilities

2016 – 2018: $250 million

TOP TALENT AND AN EMPOWERING CULTURE

Strong employee engagement

Top quartile results vs. financial institutions globally

85%
Employee Engagement INDEX

Executive leaders achieve top results on assessments versus external benchmarks

Every single person we hire must upgrade the average

Top Caliber Leaders

84%
Internal Successors

Developing leaders for top roles in the future – 84% of top roles have internal successors

Leadership starts from within

#1 "Most Trusted Brand"

25% of Annual Incentive Plan based on Client results

THE SUN LIFE STORY: AMBITIOUS AND ACHIEVABLE

1	We have four strong pillars that can each compete, win and grow in their respective sectors and which leverage each other
2	Bound together by a strong balance sheet and risk culture, including no direct U.S. Variable Annuity or Long-Term Care
3	Underpinned by a strong performance culture that is humble, but ambitious; driven by results, but not yet satisfied
4	Led by a proven management team that can execute on growth with disciplined capital allocation
5	Galvanized by a new objective – to become one of the best insurance and asset managers in the world through a step-change around Clients
6	Building on momentum created by past organic investments and acquisitions that will help drive earnings growth
7	With the objective of generating 8-10% average annual underlying EPS growth and a 12-14% underlying ROE, while maintaining a strong dividend payout ratio

DAN FISHBEIN

President, Sun Life Financial U.S.

NEIL HAYNES

SVP, Chief Financial Officer, SLF U.S.

DAVID HEALY

SVP, Client & Technology Services, SLF U.S.

KEY MESSAGES

1. Have scale and capabilities to grow in the largest group benefits market in the world, in a growing economy
2. On track to deliver Group Benefits integration synergies and target margins
3. Maintaining Stop-Loss leadership position while taking actions to sustain margins
4. Strong growth of profitable International Life business
5. Optimizing value of our In Force business

SLF U.S. positioned to make strong contribution to earnings growth

STRONG CONTRIBUTIONS FROM ALL BUSINESSES TO FUTURE EARNINGS

Sun Life Group Benefits business is now the 6th largest in the U.S.[1]

GROUP BENEFITS
Group Life, Disability, Dental, Vision
Voluntary
Disability RMS
Stop-Loss

INDIVIDUAL BENEFITS
International High Net Worth Life Insurance
Closed blocks of Individual Life Insurance and International Wealth

[1] Ranking of U.S. Group Benefits revenues based on public company reports as at December 31, 2015 including Disability RMS and Stop-Loss revenues.

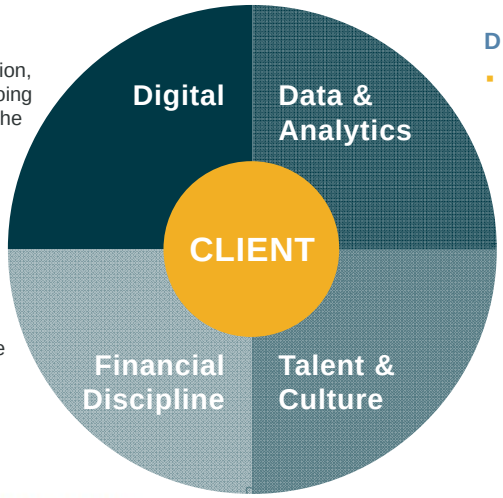
EXECUTING ON OUR CLIENT STRATEGY

Digital

- Digital tools for information, reporting and ease of doing business that enhance the Client experience

Data & Analytics

- Use analytics to provide meaningful insights to Clients and brokers



Financial Discipline

- Continue to execute management actions to increase margins

Talent & Culture

- Create a dynamic and innovative environment that attracts and retains top talent

DRIVING GROWTH AND MARGIN EXPANSION ABOVE INDUSTRY AVERAGE

Earnings growth and strong margins powered by these drivers

International Life
Strong growth of the profitable High Net Worth life business

Stop-Loss Leadership
Leverage leadership position and execute targeted repricing and claims initiatives

Group Benefits Segmented Model
Leverage unique value proposition, investments and dedicated resources in each market

Performance Improvement
Complete the legacy Sun Life Group Benefits performance improvement plan

Employee Benefits Acquisition
Integrate the business, achieve synergies, and leverage new capabilities and broad product portfolio

Group Benefits

EMPLOYEE BENEFITS ACQUISITION: KEY INTEGRATION HIGHLIGHTS

Accomplishments

- Closed transaction on schedule
- Onboarded 1,700 employees
- Integrated front office functions
- Refiled product portfolio
- Successful "Opening Day"

Upcoming Milestones

- Selling new/refiled products on SLF paper supported by combined administration and billing systems
- Complete Dental Client conversions
- Data center migration

End State

- Full back office integration
- Complete systems integration and retire legacy systems
- Convert all in-force Clients to new SLF products

Group Benefits

EMPLOYEE BENEFITS ACQUISITION: ON TRACK TO ACHIEVE INTEGRATION TARGETS

	Target	Progress
2016 estimated EPS/ROE impact (full year)[1] **2019 estimated EPS**	C$0.08/30 bps C$0.17	Achieved 2016 targets On track to achieve 2019 EPS target
Estimated pre-tax run-rate synergies (to be achieved by the end of year 3)	US$ 100 million	Identified all cost savings; Realized US$40 million run-rate savings in 2016
Estimated pre-tax transaction and integration related costs[2]	US$ 160 million	Tracking on budget with US$64 million pre-tax spent in 2016
	2016 results	
Sales	2016 sales exceeded 2015 sales of both companies combined Regrettable sales rep turnover low	
Lapses	Tracking better than expected	

[1] EPS/ROE excluding transaction and integration costs are non-IFRS financial measures
[2] After-tax integration costs were US$42 million in 2016

Group Benefits

EMPLOYEE BENEFITS ACQUISITION: UNIQUELY BROAD PRODUCT PORTFOLIO AND CAPABILITES

Cross Selling ~ One-Stop Shopping ~ Increased Visibility

STOP-LOSS	DISABILITY	LIFE	DENTAL & VISION	VOLUNTARY/ WORK SITE
Extensive market data and largest dedicated Underwriting, Actuarial and Distribution teams	Total absence management portfolio driven by "Work is healthy" philosophy	Client centric enrollment and claims processes	#2 largest dental PPO network[1] in U.S. with full product spectrum	Extensive array of products and leading enrollment and communications tools

SUN LIFE CAPABILITIES

[1] Netminder, December 2016

Group Benefits

EMPLOYEE BENEFITS ACQUISITION: DENTAL IS THE MOST POPULAR BENEFIT AFTER HEALTH; WE CAN GROW

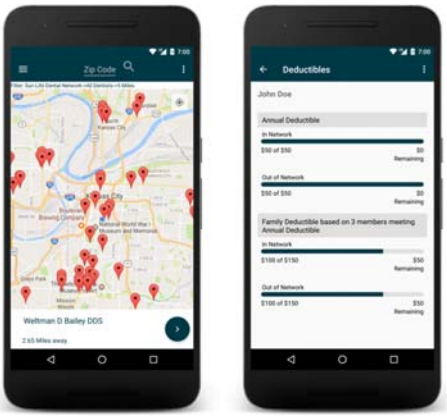
#2 largest U.S. dental PPO network[1]

120k unique dentists in our network

32 Most network recruiters and specialists in the industry

[1] Netminder, December 2016

Leading product portfolio with a focus on our Clients supported by digital tools



Group Benefits
SEGMENTATION: UNIQUE OFFERINGS AND DEDICATED TEAMS

Small Business
Up to 50 Lives

One-stop shopping
- Simple benefits packages
- Ease of doing business
- Affordability and cost-optimization

Middle Market
50-2,000 Lives

Best partner
- Product packages, enrollment and benefit communications
- Exceptional broker support
- Benchmarking and analytics tools

National Accounts
2,000+ Lives

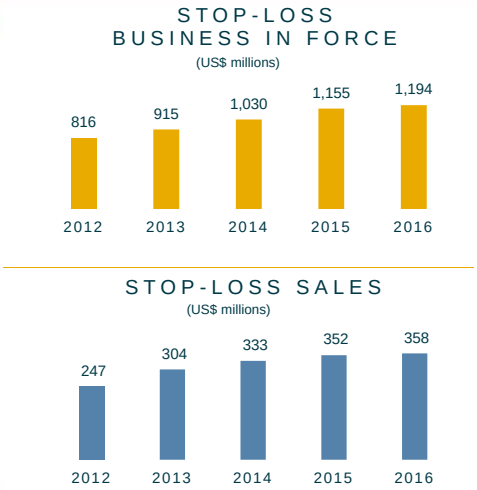
Focus on workforce productivity
- Return to work and absence management
- Customized packages
- Specialized expertise

Group Benefits
SEGMENTATION: DISTRIBUTION EXPERTISE AND SCALE

Distribution team of 400+ sales professionals is among the largest in the industry and represents the best talent from SLF U.S. and the acquired business

As of December 31, 2016

Group Benefits
STOP LOSS: LEVERAGING LEADING POSITIONS FOR PROFITABLE GROWTH



- #1 independent Stop-Loss provider[1] in the U.S. with data on 90% of the market
- Premium base grows with medical trend
- Long-term favorable performance
- Strong profit margins
- Executing targeted re-pricing:
  - Re-priced ~80% of the book of business as of January 1, 2017

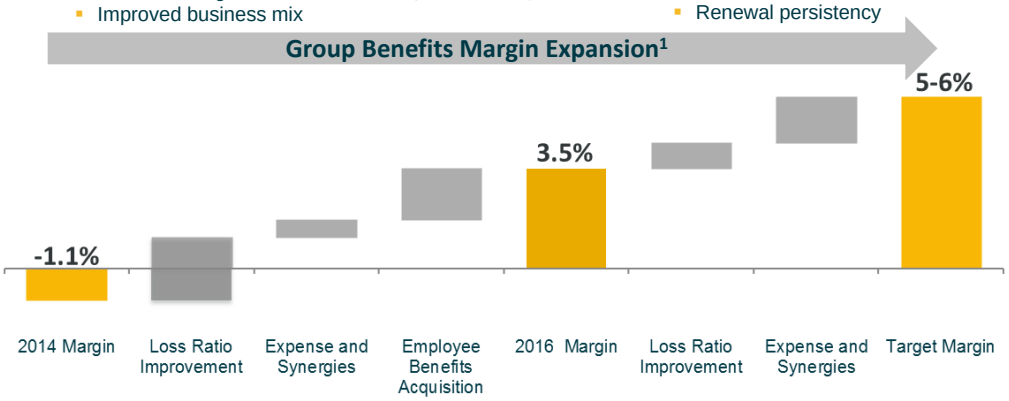
[1] Stop Loss ranking based Citigroup, NAIC report, statutory filings and Kaiser / HRET Survey of Employer-Sponsored Health Benefits, and internal data.

Group Benefits
IMPROVING PERFORMANCE: EXECUTING PLAN AND EXPANDING MARGINS

Loss Ratio Improvement
- Repricing initiatives
- Claims management
- Improved business mix

Expenses and Synergies
- Leveraging scale
- Expense management

Business Growth
- Employee Benefits acquisition
- Cross selling
- Renewal persistency



[1] Group Benefits margins calculated using after -tax underlying Income as a percentage of Net Premiums. Target margin includes full benefits from the Employee Benefits acquisition integration synergies.

SLF International

STRONG GROWTH MARKET: HIGH MARGIN HIGH NET WORTH LIFE BUSINESS

4,300
SLF International Life Clients

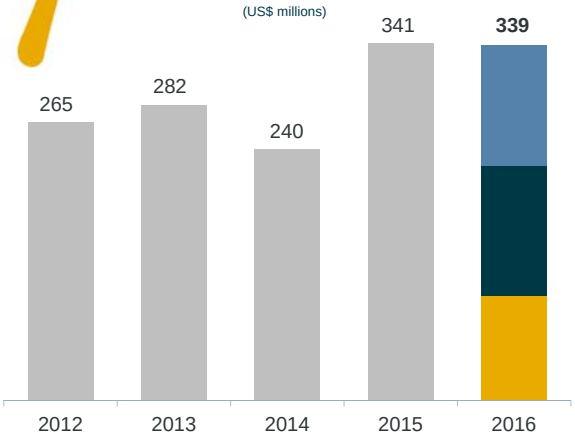
$10M
Average new life policy size (USD)

19%
Annual growth rate in life insurance account value since 2012

- Products provide intergenerational wealth transfer, liquidity, and estate tax planning
- Sun Life is the pioneer in the International High Net Worth life market with one of the largest in-force blocks
  - High margin life business has driven earnings and profitability
  - Closed the wealth business in 2015 to focus on growing life business

CREATING SHAREHOLDER VALUE

SLF U.S. UNDERLYING EARNINGS
(US$ millions)



Group Benefits: Loss ratio improvement, synergies, expense management and leading capabilities driving margin expansion

International: Focused on growing profitable International Life business

In Force Management: Maximize risk-adjusted returns while meeting Client needs

KEY MESSAGES

1	Have scale and capabilities to grow in the largest group benefits market in the world, in a growing economy
2	On track to deliver Group Benefits integration synergies and target margins
3	Maintaining Stop-Loss leadership position while taking actions to sustain margins
4	Strong growth of profitable International Life business
5	Optimizing value of our In Force business

SLF U.S. positioned to make strong contribution to earnings growth

KEVIN DOUGHERTY

President, Sun Life Financial Canada

KEY MESSAGES

1 Leading market positions provide a strong core foundation
- Individual Insurance & Wealth
- Group Benefits
- Group Retirement Services

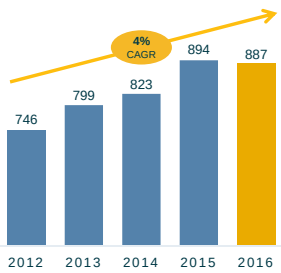
2 Innovations in technology have created a competitive advantage and provide opportunities for growth
- Total Benefits
- Mobile Applications

3 Investments in future growth are through the build-out phase and set to contribute to earnings growth
- Sun Life Global Investments
- Sun Life Guaranteed Investment Funds
- Defined Benefit Solutions
- Client Solutions

HISTORY OF PROFITABLE GROWTH…

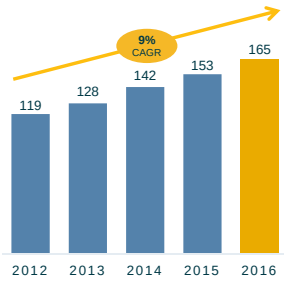
UNDERLYING NET INCOME[1]

(C$ millions)



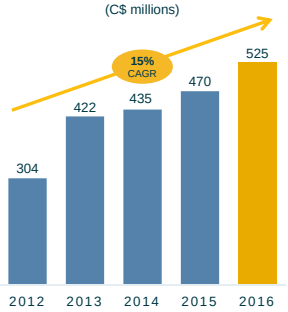
ASSETS UNDER MANAGEMENT (AUM)

(C$ billions)



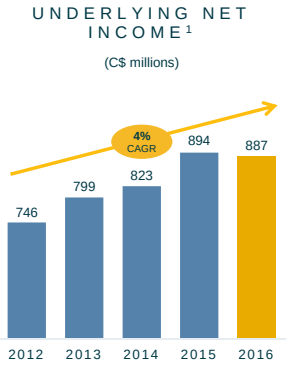
VALUE OF NEW BUSINESS (VNB)[1]

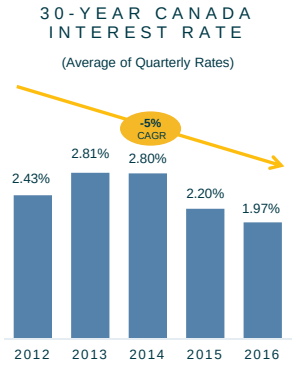
(C$ millions)



[1] Underlying Net Income and VNB are non-IFRS financial measures

...IN A DECLINING INTEREST RATE ENVIRONMENT





[1] Underlying Net Income and VNB are non-IFRS financial measures

STRONG AND GROWING FOUNDATION IN CORE BUSINESSES

[1] Fraser Group Universe Report, 2016 (for the year ended December 31, 2015)
[2] Fraser Pension Universe Report, 2016 (for the year ended December 31, 2015)
[3] Readers Digest Trusted Brand Survey, 2016

OUTPACING INDUSTRY GROWTH IN INDIVIDUAL INSURANCE

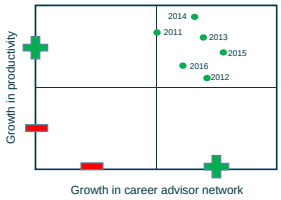
Growth in Advisors

4,000+ career advisor network

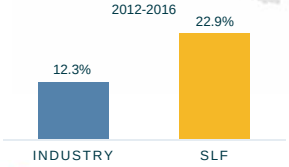
1,200+ communities across Canada

71% dual licensed providing holistic advice

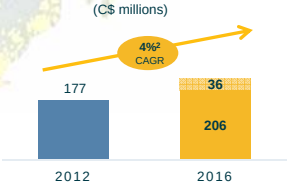
Growth in Productivity



LIFE INSURANCE SALES GROWTH[1]



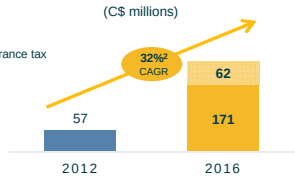
CSF INSURANCE SALES



Baseline

Due to insurance tax changes

THIRD PARTY INSURANCE SALES



[1] Life Insurance and Market Research Association ("LIMRA"), 2012-2016

[2] CAGR excludes the estimated impact of Q4 2016 sales attributable to insurance tax changes

EXTENDING MARKET LEADERSHIP IN GROUP BENEFITS

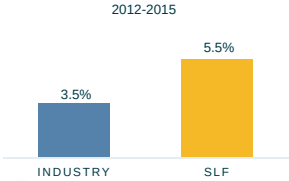
SUN LIFE GROUP BENEFITS BRIGHT PROMISE SERVICE GUARANTEE

Industry leading innovation including Total Benefits and member self serve technology

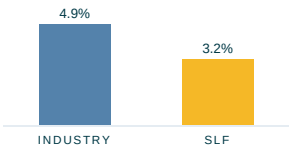
Industry leading 96.8% client retention rate[1]

#1 market position for the 7th consecutive year[2]

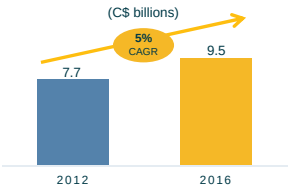
REVENUE GROWTH[3]



LAPSE RATES[1]



BUSINESS IN FORCE



[1] Fraser Group Universe Report, 2012-2016 (data from 2011-2015). Based on a five year average lapse rate.

[2] Fraser Group Universe Report, 2016 (for the year ended December 31, 2015)

[3] Fraser Group Universe Report, 2013-2016 (data from 2012-2015)

EXTENDING MARKET LEADERSHIP IN GROUP RETIREMENT SERVICES

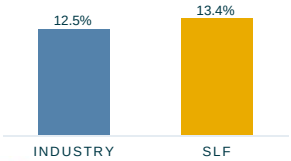
Industry leading technology including digital enrolment

Industry leading 99% client retention rate

#1 market position for the 15th consecutive year[1]

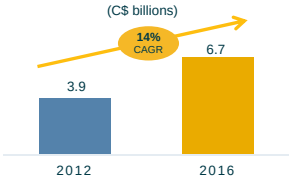
DC ASSET GROWTH[2]

2012-2015



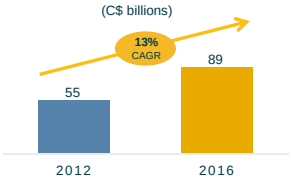
DC NEW SALES & RETAINED BUSINESS

(C$ billions)



ASSETS UNDER ADMINISTRATION

(C$ billions)



[1] Fraser Pension Universe Report, 2002-2016 (data from 2001-2015)
[2] Fraser Pension Universe Report, 2013-2016 (data from 2012-2015)

DRIVEN BY STRATEGIES LIKE TOTAL BENEFITS…

80% of top 10 GRS clients are combined GB/GRS

51% of top 100

46% of top 200

...AND INDUSTRY LEADING TECHNOLOGY...

Highest rated life insurance mobile app in Canada

Empowering clients to...

- Check Coverage
- Check Health Spending Account Balance
- Submit and Pay your claim
- Direct payment to your Bank Account (next day)
- Or, your RRSP with GRS

- View GRS Balances
- Check your History
- Quick Transfer from the Bank into your Group RRSP
- Check your Personal Savings, too

- Find a Provider
- Check their Rating with other SLF Plan Members
- Check for Direct Pay
- Book an Appointment
- Go for your Massage

...AND INVESTMENTS IN QUEBEC

"Gagner le Quebec" strategy launched in 2011 to recapture the Quebec market

Adapted our brand to resonate with Quebecers

Strengthened relationships with businesses, political leaders, and key intermediaries

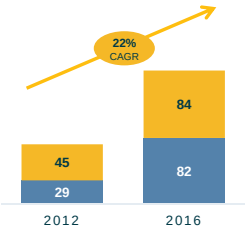
Isabelle Hudon
Executive Chair,
SLF Quebec

Robert Dumas
President,
SLF Quebec

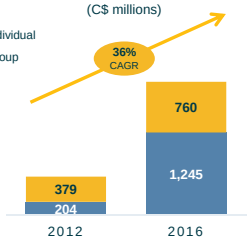
PRESENTING SPONSOR – TOURING SHOWS
CIRQUE DU SOLEIL.

Sun Life GLOBAL Investments
ILLUMINATING

INSURANCE SALES[1]
(C$ millions)



WEALTH SALES[2]
(C$ millions)



[1] Includes Individual Insurance sales, GB net sales and Client Solutions.
[2] Includes Individual Wealth Mutual Fund and Guaranteed sales; GRS Defined Contribution (DC) net sales and Defined Benefit Solutions sales; and Client Solutions sales.

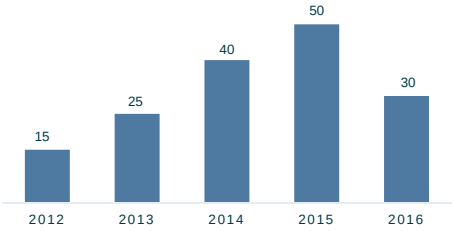
NEW ENGINES ACCELERATING GROWTH.....

2009	2010-2013	2014	2015	2016
▪ Client Solutions ▪ Defined Benefit Solutions ▪ Centralized operations	▪ Sun Life Global Investments ▪ Building retail wealth distribution ▪ Quebec strategy	▪ Brighter Way ▪ Digital initiatives	▪ Sun GIF (Segregated Funds)	▪ Digital Health Solutions

Impact to earnings from investments made in growth initiatives

INVESTMENT IN GROWTH INITIATIVES

(C$ millions after-tax)



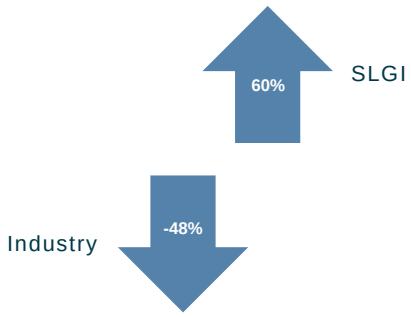
...AND ALREADY SEEING THE RESULTS

33%	$15.6B	$888M	41%	$3.2B
New engines accounted for a third of VNB in 2016	Sun Life Global Investments AUM	Sun GIF (Segregated Funds) sales since launch	Defined Benefit Solutions market share[1]	Client Solutions wealth sales in 2016

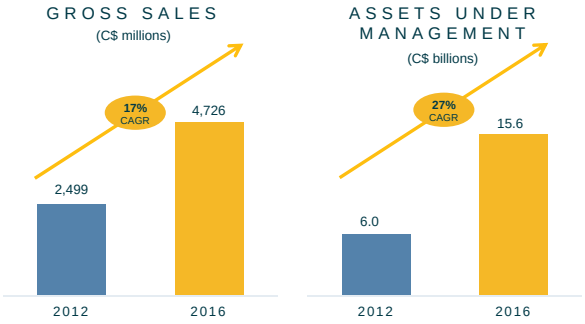
[1] LIMRA Canadian Pension Market Survey, 2017 (data from 2016)

GROWING SUN LIFE GLOBAL INVESTMENTS

Net flows outpacing the industry in 2016[1]



Significant sales growth driving assets under management

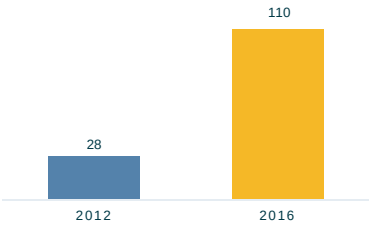


[1] IFIC Industry Overview, December 2016, company reports. Includes institutional and retail sales.

EXPANDING PRESENCE IN RETAIL WEALTH

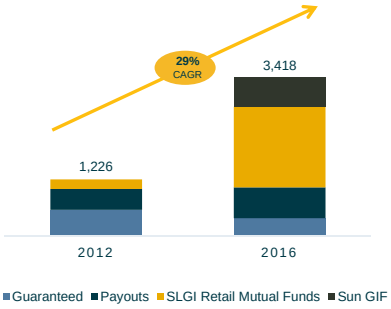
Expanding Wealth Sales Team Footprint

WEALTH SALES TEAM[1]
(Individuals)



Deepened Product Shelf Driving Retail Wealth Manufactured Sales

MANUFACTURED WEALTH SALES
(C$ millions)



[1] Includes all wealth wholesaler roles in both the CSF and Third Party channels

MARKET LEADERSHIP IN DEFINED BENEFIT SOLUTIONS

1st in Canadian annuity market sales since 2008[1]

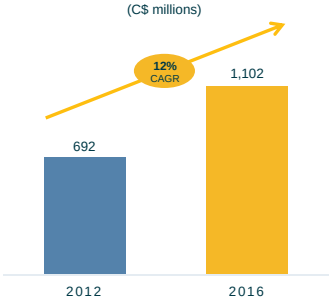
1st Canadian provider to exceed $1 billion of group annuity sales[2]

1st North American longevity insurance transaction

Developed inflation-linked annuity market, leading to over $1 billion in sales since 2015

DEFINED BENEFIT SOLUTIONS ANNUITY SALES

(C$ millions)



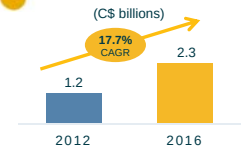
[1] LIMRA Canadian Pension Market Survey, 2009-2017 (data from 2008-2016)
[2] LIMRA Canadian Pension Market Survey, 2015 (data from 2014)

LEVERAGING OUR WORKSITE ADVANTAGE IN CLIENT SOLUTIONS

Rollover Sales

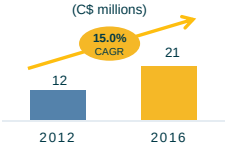
WEALTH

(C$ billions)



INSURANCE

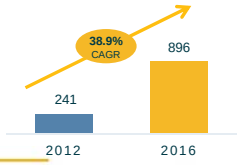
(C$ millions)



Other Programs

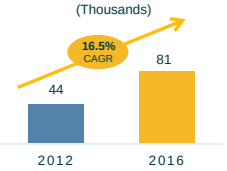
ASSET GATHERING

(C$ millions)



ADVISOR LEADS

(Thousands)



Generating **Bright Ideas** with Digital Benefits Assistant

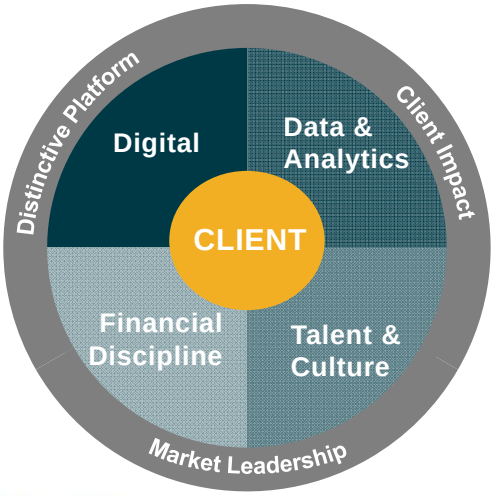
Bright Idea	Outcome	Web	CCC*	Mobile
Take advantage of Leaving your Plan support	Rollover sales	✓	✓	
Enroll in your plan	Asset gathering	✓	✓	
Transfer your savings to Sun Life	Asset consolidation	✓	✓	✓
Download our mobile app	Increased usage of mobile capability (e.g. e-claims)	✓		✓
Talk to an advisor	Advisor lead		✓	
Chronic condition management	Wellness	✓		

* Client Care Centre

WINNING IN CANADA – EXECUTING OUR STRATEGY

Digital
- Highest rated life insurance mobile app in Canada
- Leading technology like digital enrolment
- Going mobile to expand distribution capabilities

Financial Discipline
- Delivering on income and expense targets
- Generating new sources of VNB
- Leveraging excellence in risk management



Data & Analytics
- Leveraging analytics to power the Digital Benefits Assistant
- Extending to Digital Health Solutions
- Generating insights to improve Client experience

Talent & Culture
- Attract, motivate and retain top talent
- Delivering on innovative and Client-centric culture
- Cultivating a diverse and inclusive workforce

KEY MESSAGES

1	Leading market positions provide a strong core foundation ▪ Individual Insurance & Wealth ▪ Group Benefits ▪ Group Retirement Services
2	Innovations in technology have created a competitive advantage and provide opportunities for growth ▪ Total Benefits ▪ Mobile Applications
3	Investments in future growth are through the build-out phase and set to contribute to earnings growth ▪ Sun Life Global Investments ▪ Sun Life Guaranteed Investment Funds ▪ Defined Benefit Solutions ▪ Client Solutions

INVESTOR DAY 2017

Thursday, March 9, 2017

SUN LIFE FINANCIAL INC.

Sun Life Financial
Life's brighter under the sun

MIKE ROBERGE

Chief Executive Officer and President,
MFS Investment Management

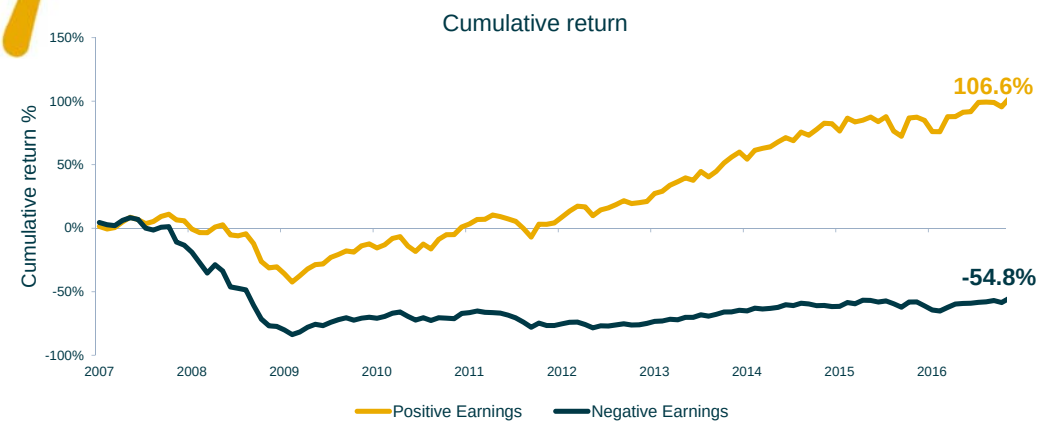
KEY MESSAGES

1. There continues to be demand for actively managed investment products
2. Creating long-term value for Clients means being able to deliver results over a full market cycle
3. MFS has generated strong investment performance and is poised to gain a greater share of the actively managed market
4. MFS is well diversified by product, sales channel, and geography

REASONS WHY ACTIVE MANAGEMENT HAS BEEN CHALLENGED

HISTORICALLY COMPANIES WITH POSITIVE EARNINGS HAVE OUTPERFORMED

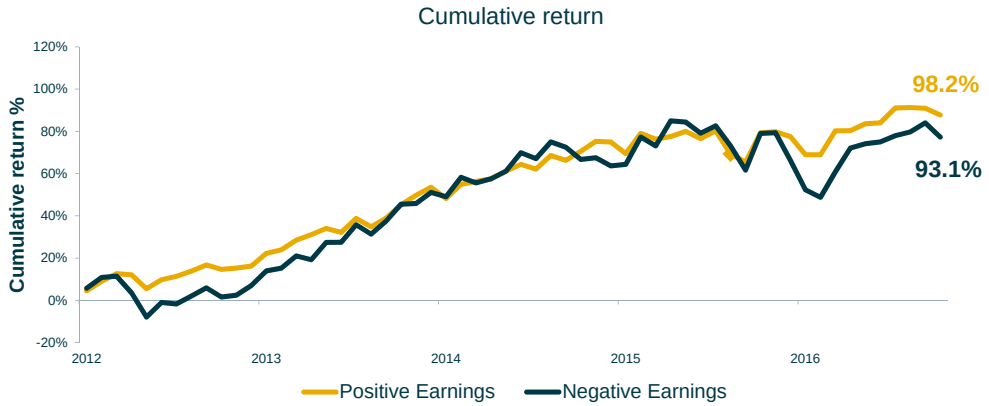
Dispersion of Equity Returns S&P 500 constituents from Dec 2006 – Dec 2016



Source: Compustat earnings per share (EPS) data from December 2006 – November 2016 for the S&P 500. Each portfolio of positive and negative earnings companies is rebalanced monthly and market cap weighted. Data labels are cumulative returns as of 30th November 2016.

BUT LATELY THERE HAS BEEN LITTLE DISPERSION BETWEEN THESE TWO GROUPS

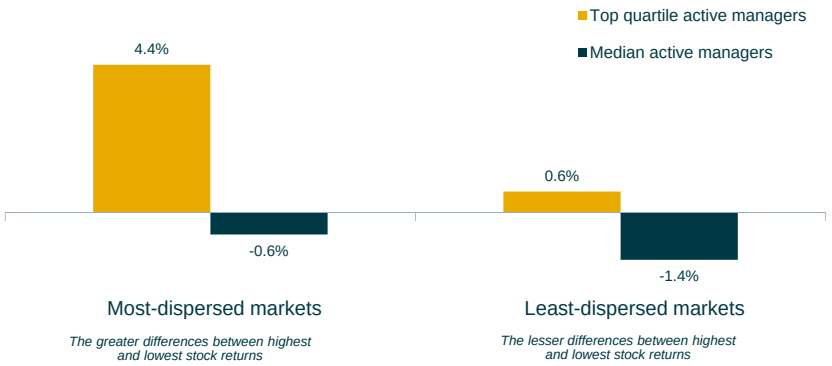
Low Dispersion of Equity Returns S&P 500 constituents from Dec 2011 – Dec 2016



Source: Compustat earnings per share (EPS) data from December 2011 – November 2016 for the S&P 500. Each portfolio of positive and negative earnings companies is rebalanced monthly and market cap weighted. Data labels are cumulative returns as of 30th November 2016.

TOP QUARTILE ACTIVE MANAGERS HAVE SIGNIFICANTLY OUTPERFORMED IN THE MOST-DISPERSED MARKETS

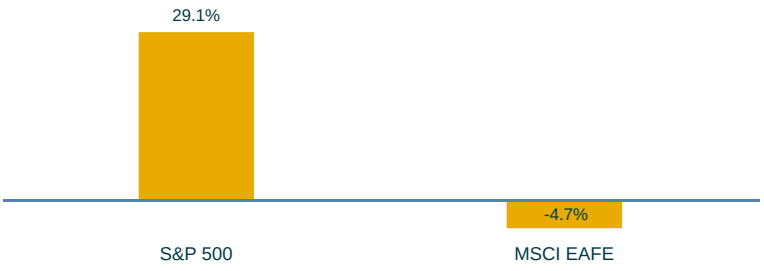
Excess returns of U.S. large cap blend active managers based on dispersion in S&P 500 1990–2016



Source: Analysis based on Morningstar and Bernstein data. Market dispersion based on the calendar year average of cross-section dispersion of stocks' forward 21-day return (weekly frequency). Calendar years with market dispersion in the top and bottom quartile were considered most or least dispersed, respectively. 25th percentile and median active managers taken from the Morningstar Large Blend category. Excess returns, net of all fees (including 12b-1) but excluding sales charges, are calculated against the S&P 500 TR Index. Analysis covers all share classes and includes funds that have since been liquidated or merged, but excludes index funds. Most-dispersed markets (1998, 1999, 2000, 2001, 2002, 2008 and 2009) had average dispersion of 11.8%. Least dispersed markets (2004, 2006, 2010, 2012, 2013, 2014 and 2015) had average dispersion of 6.4%. Includes extended performance where available.

ACTIVE LARGE-CAP FUNDS HOLD ON AVERAGE ~7% IN NON -U.S. STOCKS WHICH DETRACTED FROM PERFORMANCE

3-year cumulative return as of 12/31/16

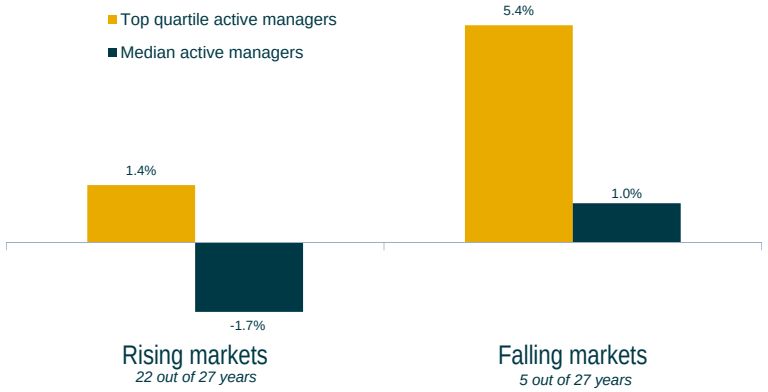


Source: Factset as of 12/31/16

EXCESS RETURNS HAVE HISTORICALLY BEEN POSITIVELY CORRELATED WITH INTEREST RATES

Source: Nomura Research. The chart shows the cumulative median excess return of U.S. Large Cap active funds relative to a benchmark overlaid with the 10-year U.S. Treasury yield from January 1962 through June 2016. The S&P 500 Index is used for U.S. core funds, the Russell 1000® Growth Index for growth funds, and the Russell 1000® Value Index for value funds. Past performance is no guarantee of future results. It is not possible to invest directly in an index.. As-of 12/31/2016, latest data available.

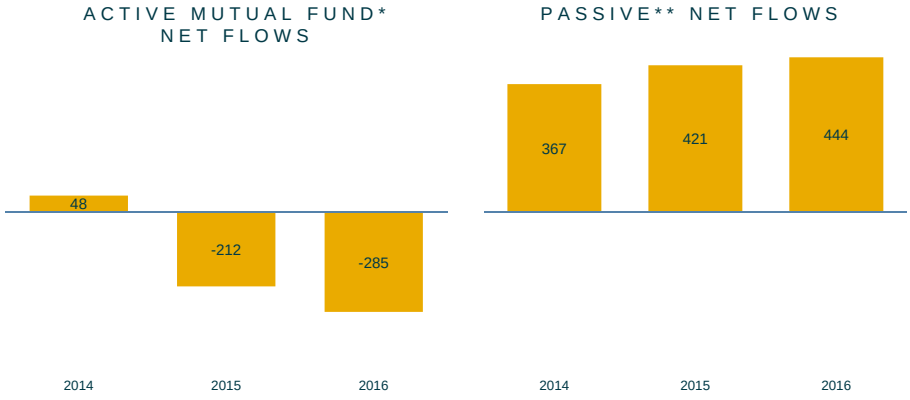
ACTIVE MANAGERS HAVE ADDED THE MOST EXCESS RETURN IN FALLING MARKETS



Source: Analysis using Morningstar data. Excess returns of US large cap blend active managers 1990–2016. Rising and falling markets based on calendar year returns when the S&P 500 rose or fell (1990-2016). 25th percentile and median active managers taken from the Morningstar Large Blend category. Excess returns, net of all fees (including 12b-1) but excluding sales charges, calculated against the S&P 500 TR Index. Analysis covers all share class and excludes index funds. The falling markets are 1990, 2000, 2001, 2002 and 2008.

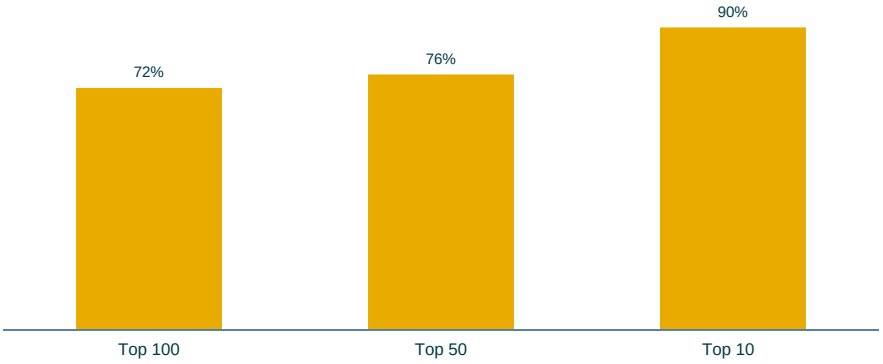
INVESTORS HAVE RESPONDED BY SWITCHING FROM ACTIVE TO PASSIVE

MARKET TRENDS – U.S. RETAIL
(US$ billions)



AMONG THE 10 LARGEST ACTIVE-ONLY MANAGERS, ONLY MFS HAD NET IN-FLOWS

% of active U.S. Retail Funds Managers* in net out-flows during 2016



Source: Strategic Insight
*Ranked by Ending AUM, excludes Money Market Funds and the firms Vanguard and Dimensional

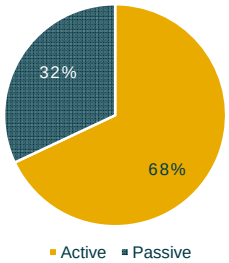
THE CASE FOR ACTIVE IN A FULL MARKET CYCLE

THE VAST MAJORITY OF INDUSTRY REVENUES REMAIN IN ACTIVE

U.S. RETAIL LONG-TERM ASSETS

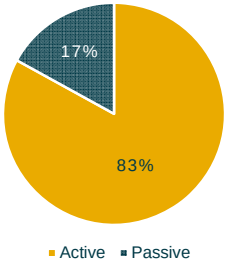
2016 ASSETS UNDER MANAGEMENT

US$ 14.2 trillion



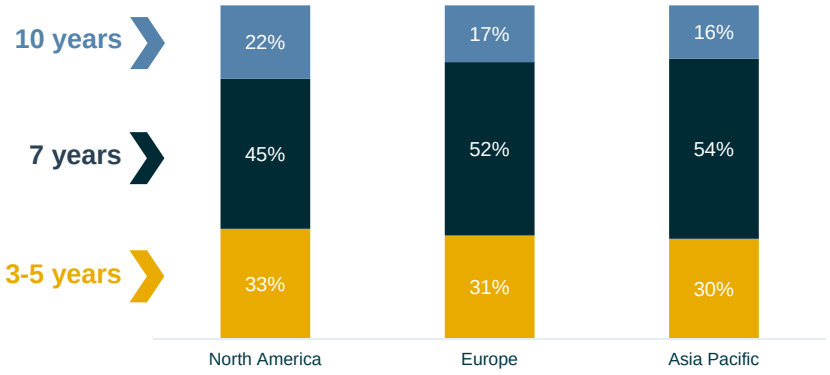
2016 MANAGEMENT FEES

US$ 78.3 billion



Source: Strategic Insight – Passive includes index mutual funds. Revenues are based on average management fees as disclosed in prospectuses.

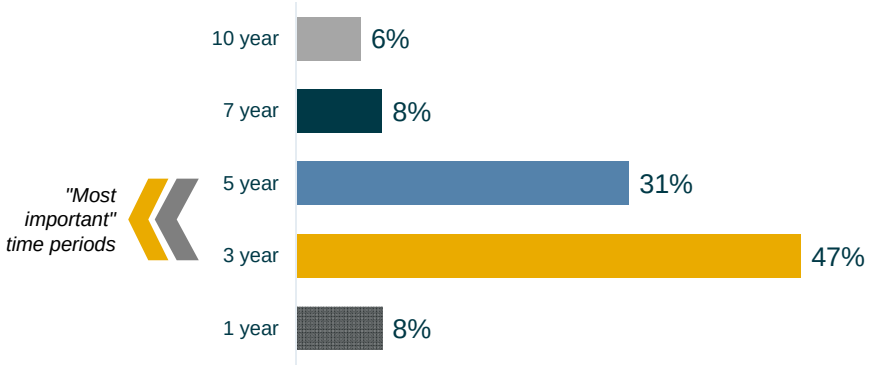
THE DEFINITION OF A FULL MARKET CYCLE IS FAIRLY CONSISTENT ON A GLOBAL BASIS, AS 7+ YEARS



Source: 2015 MFS Global Investment Time Horizon amongst institutional investors

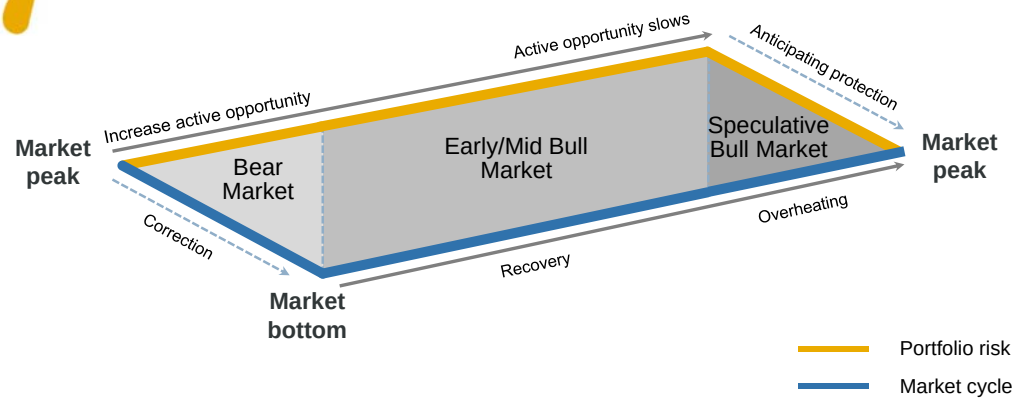
HOWEVER, MOST INVESTORS PUT EMPHASIS ON A 3-YEAR PERIOD

Time period most important to retention of external asset managers



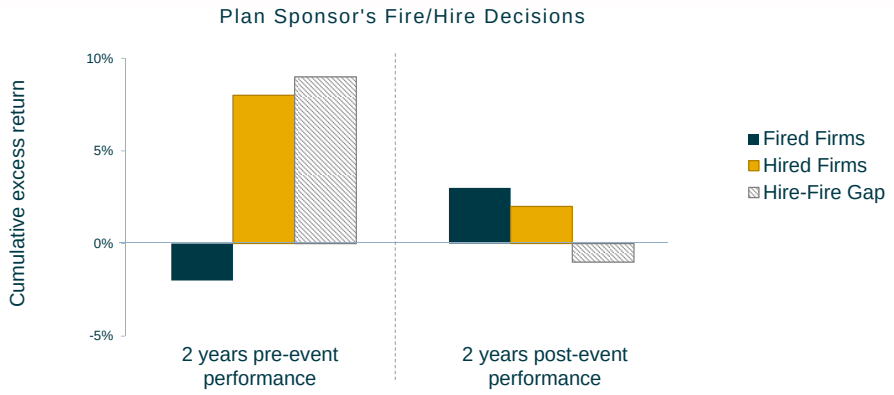
Source: 2015 MFS Global Investment Time Horizon amongst institutional investors

THE OPPORTUNITY FOR EXCESS RETURNS VARIES OVER THE MARKET CYCLE



Source: 2015 MFS Global Investment Time Horizon amongst institutional investors

THE COST OF MANAGER REPLACEMENT WEIGHS HEAVILY ON RETURNS



Source: The Journal of Portfolio Management – Bad Habits and Good Practices, Summer 2015.

MFS' COMPETITIVE ADVANTAGE

OUR STRATEGY

MFS HAS A SINGLE, GLOBAL INVESTMENT PLATFORM…

98 fundamental research analysts
28 US equity analysts and
36 non-US equity analysts;
34 credit analysts;
backed by
29 research/investment associates

8 global sector teams organized by region and sectors
with US$ 38 billion AUM in analyst-managed portfolios

Extensive integration
across equity and fixed income, geographies and asset classes

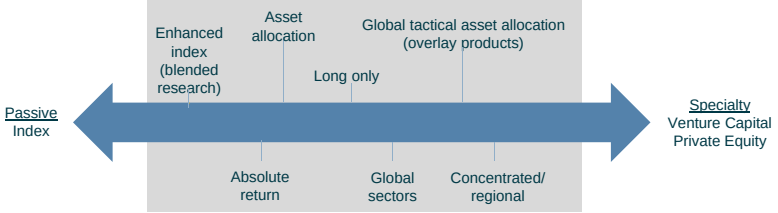
77 portfolio managers
with significant industry experience in value, core, growth, quantitative and fixed income

Quantitative research team:
9 quantitative analysts provide proprietary research models, quantitative stock rankings, and scenario testing; backed by 15 quantitative research associates

Collaborative research environment

…WITH A BROAD SET OF PRODUCTS AND DELIVERY VEHICLES

MFS Playing Field



DELIVERY VEHICLES		
U.S. Mutual Funds	VA Separate Accts	Separate Accounts
Non-U.S. Mutual Funds	CIT's	FCP
Variable Insurance Trust Funds	CCT's	ITM
SMA/UMA	Australian Trusts	

Commingled Investment Trusts (CIT), Fonds Commun de Placement Fonds (FCP), Canadian Commingled Trust (CCT), Investment Trust Management (ITM), Separately Managed Accounts (SMA), Unified Managed Account (UMA)

MFS' LONG-TERM INVESTMENT PERFORMANCE REMAINS STRONG

% of MFS fund assets ranked in the top half of their Lipper category	1 yr.	3 yrs.	5 yrs.	10 yrs.
All Funds	60%	61%	75%	97%
Fixed-Income Funds	78%	90%	77%	85%
Global & International Equity Funds	91%	91%	56%	99%
Domestic Equity Funds	46%	45%	79%	99%
All Funds in the bottom quartile	5%	5%	1%	2%

Data is as of December 31, 2016.
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 sales load types as reported by Lipper in a particular classification.
Excludes Closed-End, Money Market, VIT, 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.

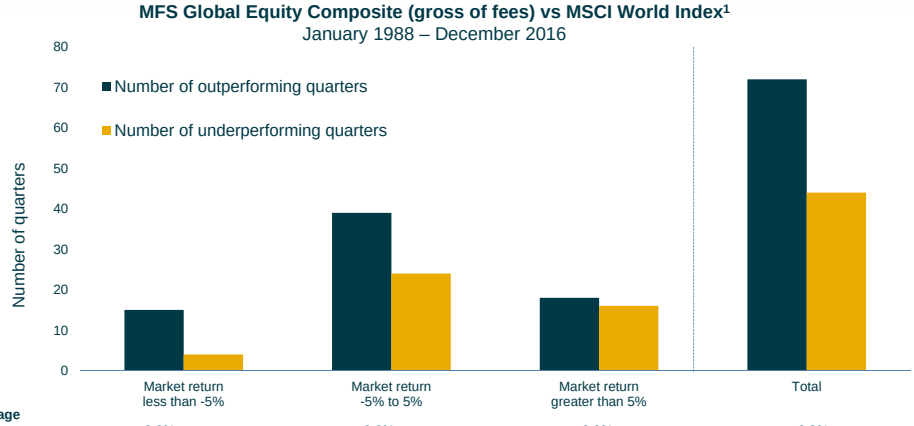
THE LATE MARKET RALLY IN 2016 WAS NOT CONDUCIVE TO MFS' INVESTMENT STYLE

Impact of BREXIT and the U.S. Election

Type	Index	FY 2016	Jul 1 - Dec 31	Nov 9 - Dec 31
Small Cap	Russell 2000	21.2%	18.7%	13.9%
Large Cap	S&P 500	11.9%	7.8%	5.0%
High Beta	Russell 1000 Dynamic	15.5%	13.4%	6.5%
High Quality	Russell 1000 Defensive	11.5%	2.8%	3.8%
High Beta	S&P 500 High Beta Index	24.3%	24.6%	12.7%
Low Volatility	S&P 500 Low Volatility Index	10.4%	-1.7%	2.8%

MFS ADDS THE MOST VALUE IN FLAT OR DECLINING MARKETS

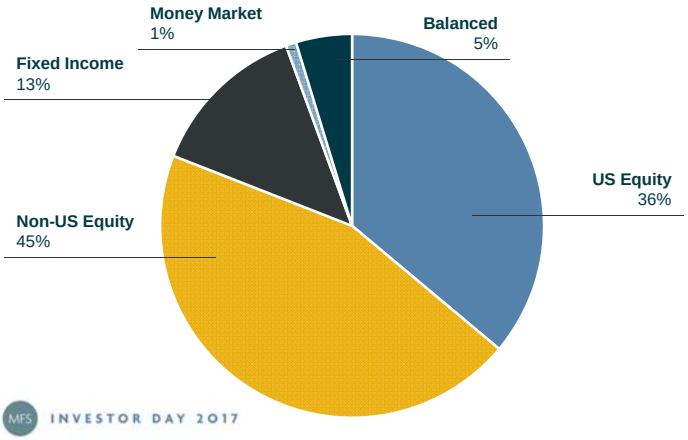
MFS Global Equity Composite (gross of fees) vs MSCI World Index[1]
January 1988 – December 2016



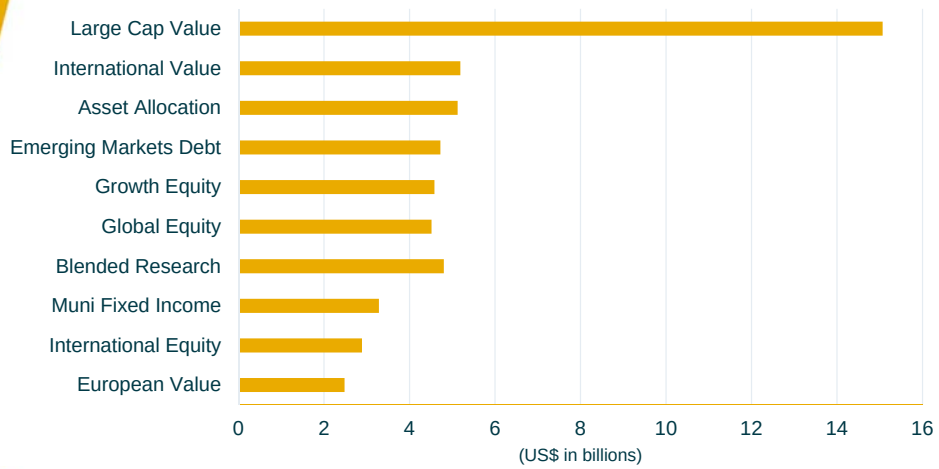
	Market return less than -5%	Market return -5% to 5%	Market return greater than 5%	Total
MFS Average quarterly relative performance	**+3.0%**	**+0.8%**	**-0.9%**	**+0.8%**

MFS ASSETS ARE WELL DIVERSIFIED BY INVESTMENT STYLE

AUM BY STYLE
US$426 billion at December 31, 2016



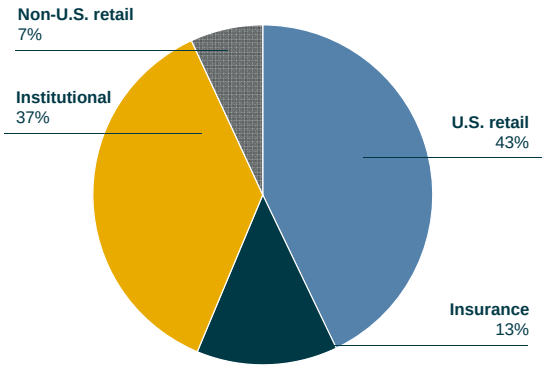
25 MFS STYLES >US$1 BILLION IN SALES IN 2016



ASSETS ARE ALSO WELL DIVERSIFIED BY PRODUCT TYPE

TOTAL ASSETS UNDER MANAGEMENT

US$426 billion at December 31, 2016

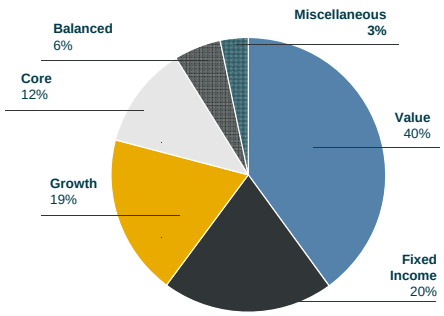


MFS PARTNERS WITH LEADING RETAIL INTERMEDIARY FIRMS

U.S RETAIL ASSETS UNDER MANAGEMENT

US$180 billion at December 31, 2016

By Style



Sample Financial Intermediaries

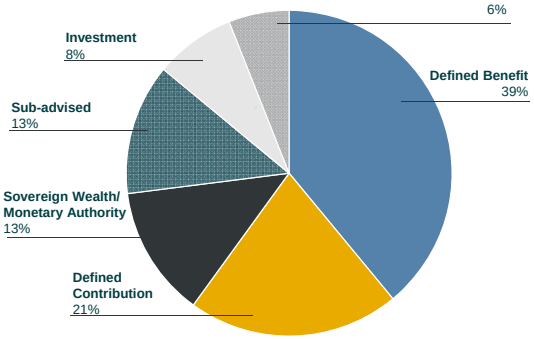
Bank of America Merrill Lynch
Morgan Stanley
Edward Jones MAKING SENSE OF INVESTING
WELLS FARGO
Ameriprise Financial
JPMorganChase
UBS

MFS WORKS WITH LEADING GLOBAL CONSULTANTS

INSTITUTIONAL* ASSETS UNDER MANAGEMENT

US$148 billion at December 31, 2016

By Account Type



Leading Consultants

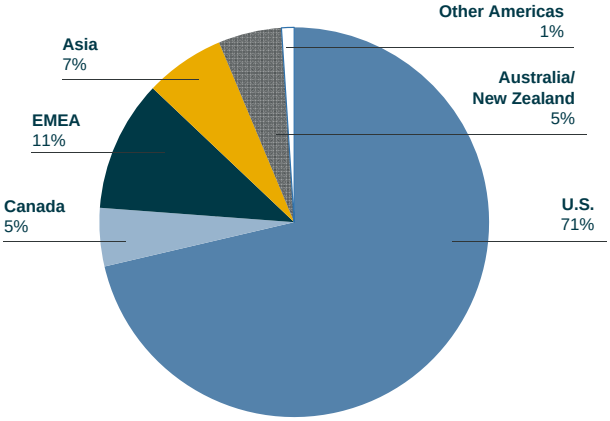
Russell Investments
MERCER
Willis Towers Watson
Wilshire
JANA PARTNERS LLC
AON
CAMBRIDGE ASSOCIATES

*Institutional AUM excludes insurance products that are included under "Managed Funds"

ASSETS ARE INCREASINGLY WELL DIVERSIFIED GEOGRAPHICALLY

TOTAL ASSETS UNDER MANAGEMENT

US$426 billion at December 31, 2016



U.S. RETAIL REMAINS RELATIVELY STRONG WHILE THE IMPROVEMENT IN MANAGED FUNDS HAS BEEN MUTED BY THE SLOWDOWN IN NON-U.S. RETAIL

	Gross Sales			Redemptions*			Net Flows		
(US$ billions)	2016	2015	Inc/(Dec)	2016	2015	(Inc)/Dec	2016	2015	Inc/(Dec)
U.S. Retail	46.8	40.8	6.0	(45.1)	(38.8)	(6.3)	1.7	2.1	(0.4)
Non-U.S. Retail	11.6	14.6	(3.0)	(13.8)	(11.2)	(2.6)	(2.3)	3.4	(5.7)
Managed**	23.3	20.4	2.9	(35.4)	(41.5)	6.1	(12.0)	(21.1)	9.1
Total	81.7	75.8	5.9	(94.3)	(91.5)	(2.8)	(12.6)	(15.7)	3.1

MFS' PATH TO NET INFLOWS

- Normalization of Retail Redemption Rates
- Non-U.S. Retail Sales back to pre-Brexit Levels
- Growth of Institutional Sales
  - Blended Research
  - Fixed Income
- Capacity Management

KEY MESSAGES

1	There continues to be demand for actively managed investment products
2	Creating long-term value for Clients means being able to deliver results over a full market cycle
3	MFS has generated strong investment performance and is poised to gain a greater share of the actively managed market
4	MFS is well diversified by product, sales channel, and geography

KEVIN STRAIN

President, Sun Life Financial Asia

KEY MESSAGES

1	We have built Sun Life Asia as a pillar over the past 5 years ▪ Underlying Net Income grew at a ~ 30% CAGR to nearly $300 million ▪ VNB[1] grew at a 50% CAGR
2	Our growth has been widespread with earnings, VNB and sales growth in every market and in both Insurance and Wealth
3	Our Asia strategy will enable us to continue to grow ▪ Our seven chosen markets have over 3 billion people and rapid growth in demand ▪ Driven by distribution excellence, products that meet evolving Client needs and investment in brand
4	We will put our Clients at the center of everything we do ▪ Investing in digital and data analytics
5	We will drive sustainable shareholder value by improving Underlying ROE to double digits

[1] Underlying Net Income, Underlying ROE and Value of new business ("VNB") are non-IFRS financial measures

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

The Right Markets

- ✓ **Over 3 billion** people[1]
- ✓ **500 million** population increase from 2015 to 2030[2]
- ✓ **Low life insurance penetration of 2.3% in our markets**[3]
- ✓ Significant protection gap of **over USD$58 trillion**[4]
- ✓ Rapidly growing GDPs across our 7 markets[5]

Leadership Positions

- ✓ Philippines: #1 in Life Insurance[6] and #3 in Asset Management[7]
- ✓ Malaysia: #3 in Bancassurance[8]
- ✓ Hong Kong: #3 Mandatory Provident Fund (MPF) net inflows[9]
- ✓ India: #1 in Group insurance[10] and #4 in Asset Management[11]
- ✓ Indonesia: First Shariah agency in conventional life business

Strategic Assets in Asia

- ✓ **Nearly 14 million** Clients
- ✓ **95,000* advisors across 6 markets**
- ✓ Partners with **Top 5 banks in 3 markets**
- ✓ Partners with **Top 3 Telecoms in 3 markets**
- ✓ **Strong JV partners**
- ✓ **#6 Most recognized insurance brand**[12]

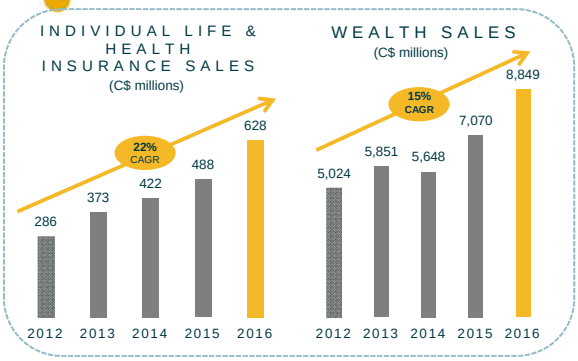
* Advisor Count as at December 31, 2016

Our 7 markets combined makes up **70%** of the total population of Asia[13].

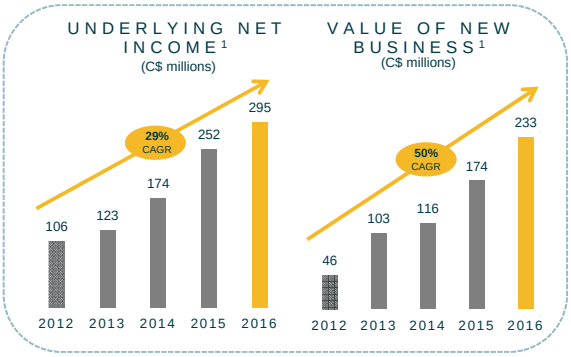
[1]The Economist Intelligence Unit 2017; [2]United Nations (2015), "Population 2030", pg. 3; [3] Swiss Re (2016) "World insurance in 2015: steady growth amid regional disparities" pg.46; [4] Swiss Re (2015) Asia-Pacific 2015: Mortality Protection Gap. Pg.6; [5] 2016 Real GDP growth, SNL Financial; [6] Insurance Commission of the Philippines, based on 2016 total premium income for Sun Life of Canada (Philippines); [7] Philippine Investment Funds Association, based on 2016YE assets under management; [8] Life Insurance Association of Malaysia; Insurance Services Malaysia Berhad; Based on 2016 annualised first year premium for conventional and takaful business.; [9] Gadbury MPF Market Share Report (Dec 2016); [10] Insurance Regulatory Authority of India, based on 2016 first year premiums among private players ; [11] Association of Mutual Funds in India, based on average quarterly assets under management as at Q4 2016 year-end ; [12] Campaign Asia (June 2015) "Asia's Top 1000 Brands"; [13] Population Reference Bureau: 2016 World Population Data Sheet

PROVEN TRACK RECORD OF EXECUTION

STRONG BUSINESS GROWTH IN INDIVIDUAL LIFE & HEALTH AND IN WEALTH



PROFITABLE GROWTH WITH VNB AS A KEY DRIVER



[1] Underlying Net Income and VNB are non-IFRS financial measures

ACCELERATING GROWTH THROUGH DISCIPLINED ACQUISITIONS

Nearly $1 billion committed to acquisitions from 2012-2016, strengthening our presence in the region, expanding our distribution and increasing our product capabilities.

- **India:** Increased shareholding in Birla Sun Life Insurance from 26% to 49%
- **Hong Kong:** Announced transaction to acquire FWD's MPF and ORSO[1] businesses
- **Hong Kong:** Announced transaction to acquire Schroders' MPF business
- **Indonesia:** Acquired remaining 51% of CIMB Sun Life
- **Vietnam:** Acquired remaining 25% of PVI Sun Life
- **India**: Entered distribution relationship with DBS

2012

Entered Vietnam - PVI Sun Life (JV) formed, began operations in 2013

2013

Entered Malaysia - Acquired 49% of each of CIMB Aviva Assurance Berhad and CIMB Aviva Takaful Berhad

2014

2015

Vietnam: Announced transaction to increase stake in PVI Sun Life to 75%

2016

[1]Occupational Retirement Schemes Ordinance

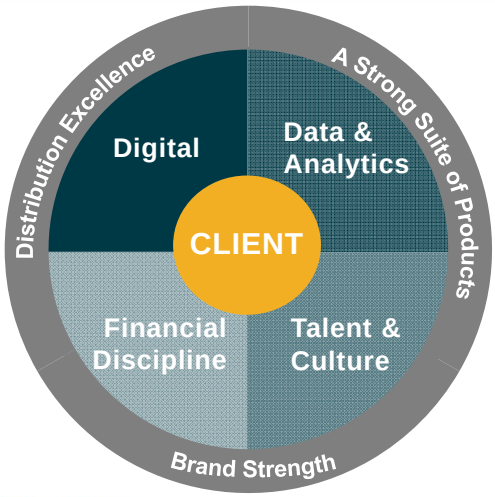
WINNING IN ASIA – EXECUTING OUR STRATEGY

Digital - *Digitize the experience for Clients & Distribution*

- Mobile Client access approach for statements and simple transactions
- Enable distributors to go mobile with digital needs analysis, illustrations, applications and underwriting
- Advisor toolbox to help advisors manage their business

Financial Discipline - *Balance growth & bottom line focus*

- Grow underlying ROE
- Efficient use of capital
- Disciplined acquirer
- Eliminate expense gaps and new business strain
- Strong compliance culture



Data & Analytics – *Leverage the power of data, analytics & technology*

- Use data analytics to better target our Client base for selling
- Deepen understanding of Clients to enable proactive contact and a more personalized experience at each stage of the Client journey

Talent & Culture- *Build the best talent pool in the industry*

- Continue to strengthen the talent pool
- Cultivate a diverse talent pool
- International and Regional talent rotation
- Continue to develop a "winning" culture

ALMOST 14 MILLION CLIENTS WITH GROWTH OPPORTUNITIES IN EVERY MARKET

	Population (millions)	# of Sun Life Clients (millions)	Sun Life Clients as a % of Population
Philippines	102	1.7	1.7%
Hong Kong	7	0.7	10.0%
Indonesia	258	0.7	0.3%
India	1,327	7.8	0.6%
China	1,366	1.2	0.1%
Vietnam	94	N/A	N/A
Malaysia	31	1.8	5.8%
TOTAL	**3,185**	**13.9**	**0.4%**

We're in the right markets, at the right time

- **The Middle Class in the Asia Pacific region is estimated to grow to over 3 billion by 2030** (65% of the Global Middle Class) – meaning even more Clients will need insurance and financial advice.
- Our 7 markets cover a total population base of over **3 billion people**, of which **nearly 14 million are our Clients.**
- The median age of the population of our countries ranges from 23 in developing countries like the Philippines to 44 in Hong Kong.
- GDP per capita is growing relatively faster than mature markets, leading to a wealthier population with greater need for financial advice and protection.

Sources: Population and GDP, The Economist Intelligence Unit 2017; median age, CIA website; middle class data, The Brookings Institution 2017
Note: Global Middle Class defined as households with daily expenditures between US$10 and US$100 per person

OUR STRATEGY FOCUSES ON EACH STAGE OF THE CLIENT JOURNEY

Easy to Do Business

Make it **inviting, easy & even delightful** to interact with us through process simplification and digitization.

Proactive Contact

Make meaningful connections with our Clients and **continuously anticipate how best we can serve them.**

Problem Resolution

Continuously take **away pain, frustration and anxiety along the Client's lifetime journey** with us, especially at moments of truth.

Product Solution

Design products that meet the diverse needs of our Clients and offer holistic programs that **improve our Clients' health and wellbeing**.

Executing on the Client Strategy

DIGITIZING THE CLIENT & ADVISOR EXPERIENCE: OUR DIGITAL STRATEGIES CLOSELY LINKED TO CLIENT STRATEGY

CLIENT

Digitally enhancing every step of the Client journey to make it easier for Clients to do business with us

Client App
Allowing Clients to do **quick and easy transactions anytime**, anywhere, such as viewing policy balances and switching funds

Corporate Web Site Revamp
Launching new corporate websites in key markets starting in Q4'17 to **modernize look and feel**, and streamline content to be **Client-centric with a clear value proposition**

ADVISOR

Digitize the advisor-assisted sales process to manage and meet the expectations of advisors and Clients

SunSmart Apps – A digital **point of sales platform for all distribution channels**
Incremental roll-out of new functionality every 6 months:

1. Financial Needs Analysis
2. Proposal Generation
3. Electronic Application

MySunAdvisor App
Digital toolbox for advisors to **better manage their business** and **proactively contact Clients**

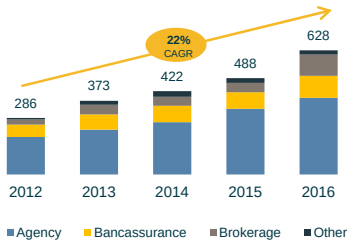
GROWING ASIA THROUGH DISTRIBUTION EXCELLENCE

A focus on quality distribution:
Most Respected Advisor ("MRA") | Top 5 Banks | Respected Brokerages | Leading Telecoms

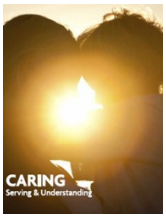
Multi-channel Distribution in Every Market

SLF Asia	Agency	Bancassurance	Brokerage	Digital Distribution /Telecoms
Philippines	●	●	●	●
Indonesia	●	●		●
Malaysia		●		●
Vietnam	●			●
Hong Kong	●		●	
China	●	●	●	●
India	●	●	●	●

INDIVIDUAL LIFE & HEALTH SALES BY DISTRIBUTION CHANNEL
(C$ millions)



DELIVERING ON OUR MOST RESPECTED ADVISOR INITIATIVE



Embedding our ***Most Respected Advisor (MRA)***[1] values of Caring, Professionalism, Inspiring, and Winning

- Focusing on holistic financial plans, more cross-sell and improved persistency
- Increased ***Million Dollar Round Table (MDRT)***[2] agents by **44%** since 2014
- Increased number of active agents by **29%** since 2014 (excluding India)

[1] Most Respected Advisor (MRA) is a regional initiative that SLF Asia launched in 2015 which aims to establish Sun Life advisors as the most respected within the industry, and most importantly in the eyes of our Clients.
[2] MDRT is a global, independent association of life insurance and financial services professionals. Members must meet a certain level of premium, commission or income during the year and adhere to strict ethical standards to qualify.

AGENCY: DEVELOPING A QUALITY AGENCY FORCE IN EVERY MARKET

Agency is Core to our Business and our Most Respected Advisor Strategy Focuses on Quality

PHILIPPINES
- **#1 Agency force**[1]
- **115% increase** in number of active agents since 2012

HONG KONG
- **15% of agents qualify for MDRT in 2016**
- **35% increase** in number of active agents and **59% increase** in agency sales since 2012

INDONESIA
- **127% increase** in agent headcount since 2012**, surpassing 10,000 agents** for the first time in 2016
- Agency sales **increased by 160%** since 2012

CHINA
- **22% increase** in agency sales since 2012

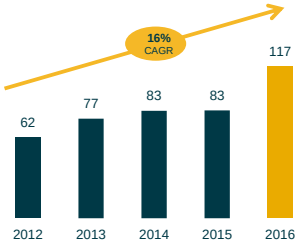
INDIA
- Gaining momentum: **21% increase** in agency sales since 2014

[1]Ranking based on total premium income in 2016.
Note: Regulatory changes in India resulted in agency sales decrease of 19% since 2012.
All sales are in local currency.

LEVERAGING STRONG BANK PARTNERSHIPS

A focus on bringing distribution excellence to quality partners

TOTAL ASIA BANCASSURANCE SALES
(C$ millions)



We have strong bank partners in 5 markets, including:

China

- China Everbright Bank
- Agricultural Bank of China
- China Construction Bank
- Industrial and Commercial Bank of China
- Postal Savings Bank of China
- China Minsheng Bank

Malaysia

- CIMB Bank
- Bank Rakyat

India

- Deutsche Bank
- Karur Vysya Bank
- DBS bank
- Lakshmi Vilas Bank

Philippines

- Rizal Commercial Banking Corporation

Indonesia

- CIMB Niaga Bank

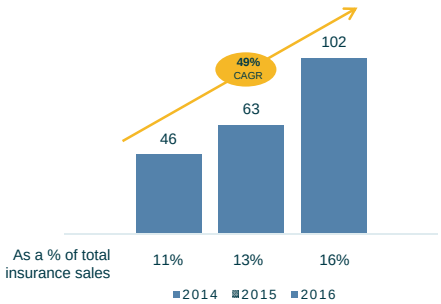
Looking to partner with strong local and regional banks to diversify our bancassurance relationships

INTENSIFYING OUR FOCUS ON HEALTH AND ACCIDENT

Health & Accident Sales have been the fastest growing part of our business and now make up 16% of our total insurance sales

- Building out our H&A product portfolio
- Introduce innovative differentiators, including:
  - Developing products for non-traditional distribution (e.g. digital, Telecoms, e-Business)
  - Establishing a regional Wellness platform
  - Expanding our Diabetes Management Program in Hong Kong to other countries
- Using "Money for Life" to integrate Life, Health and Wealth for Clients

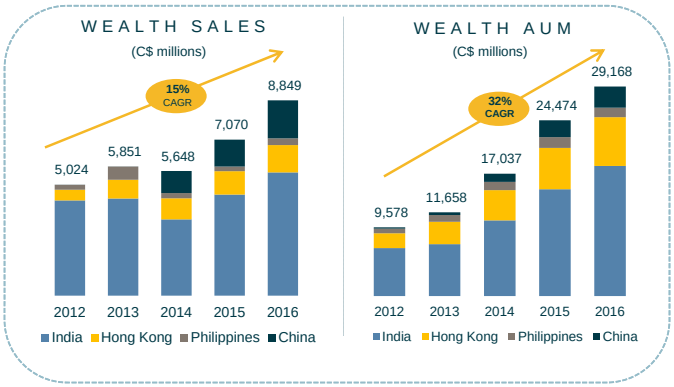
HEALTH & ACCIDENT SALES
(C$ millions)



CONTINUING TO GROW OUR WEALTH BUSINESSES

Wealth is a large and growing part of our business

- Building distribution capability in all markets
- Investing in MPF in Hong Kong with acquisitions
- Enhancing investment management and research skills in Hong Kong, the Philippines and India to drive fund performance
  - **India** – **85%** of AUM in equity funds and **97%** of AUM in fixed income funds in the top quartile based on 3 year performance
  - **Hong Kong MPF** – **9 out of 10** funds in top quartile since launch in 2000
- Leveraging strong partner relationships to grow AUM in China



Note: Fund performance rankings as of December 2016

BUILDING OUR BRAND RECOGNITION IN EACH MARKET

Through digital strategy, social media, investments in non-digital initiatives, and our "Money for Life" approach

Our brand awareness is growing

- High brand awareness in the Philippines; the only insurance company in the Top 100 brands[1]
- Launched #BeBright brand campaign in Hong Kong; leveraging high profile events like The Sun Life Stanley Dragon Boat Championships
- Investing in brand in Indonesia, Malaysia and Vietnam
- Leveraging partner brands in China and India

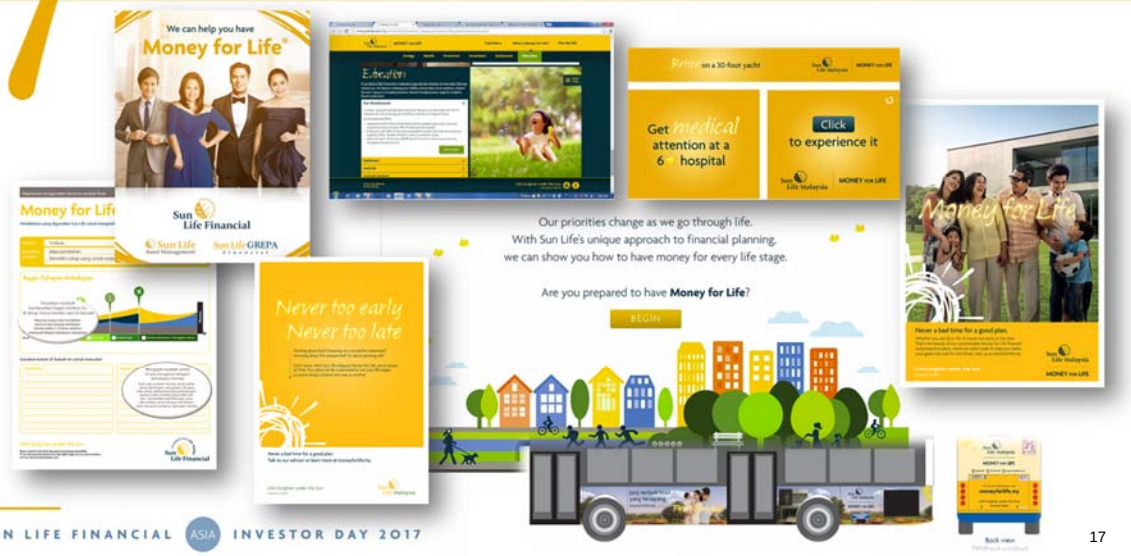
Major social media accomplishments in 2016

- Managing **16 social channels** in Asia, across 5 different platforms (the Philippines, Hong Kong, Indonesia, Vietnam, and Malaysia)
- Over 80% of Sun Life's global social media following is located in Asia
- Sun Life Indonesia surpasses **one million Facebook fans**
- Sun Life Philippines **doubled the number of their Facebook fans**, handled **3,000+ inquiries** and generated **1,000+ leads**

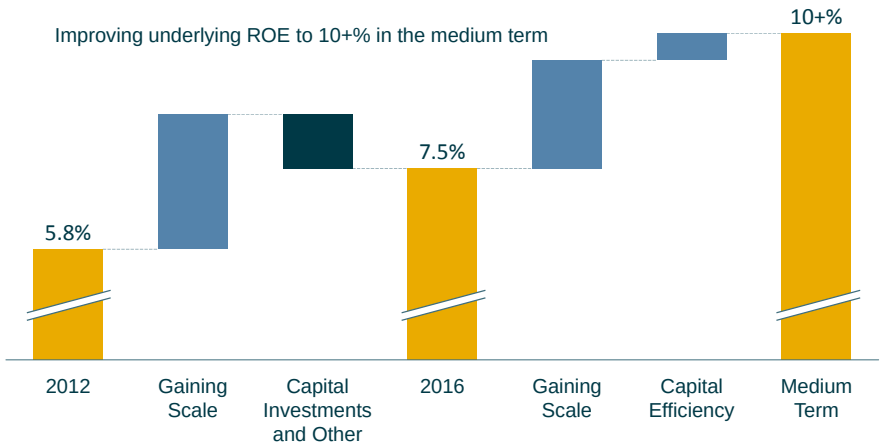
Sun Life is currently the **6th ranked insurance company[1]** in Asia's Top 1000 Brands, up from 9th place in 2014 when we first appeared in the ranking.

[1] Campaign Asia (June 2015) "Asia's Top 1000 Brands"

LEVERAGING OUR "MONEY FOR LIFE" SALES APPROACH IN ASIA



CREATING SHAREHOLDER VALUE BY ACHIEVING DOUBLE DIGIT ROE



KEY MESSAGES

1	We have built Sun Life Asia as a pillar over the past 5 years
2	Our growth has been widespread with earnings, VNB[1] and sales growth in every market and in both Insurance and Wealth
3	Our Asia strategy will enable us to continue to grow
4	We will put our Clients at the center of everything we do
5	We will drive sustainable shareholder value by improving Underlying ROE to double digits

[1] Underlying Net Income, Underlying ROE and Value of new business ("VNB") are non-IFRS financial measures

APPENDIX

SLF ASIA MARKET PRESENCE

光大永明人寿 Sun Life Everbright Life

- Since 2002
- Partnership with the China Everbright Group
- Insurance Asset Management Company established in 2012
- 2,250 employees
- 2,500 advisors

Sun Life Financial 永明金融

Hong Kong

- Since 1892
- 730 employees
- 1,900 advisors

BEST SERVE 卓譽

- Wholly owned Third Party Pensions Administrator (TPA)
- Ranked #1 in TPA[3]

Sun Life Financial

Philippines

- Since 1895
- 1,600 employees
- 9,000 advisors

Sun Life GREPA Financial

- Since 2011
- Partnership with the Yuchengco Group of Companies
- 550 employees

Birla Sun Life

- Since 1999
- Partnership with Aditya Birla Group
- Insurance and Asset Management
- 8,620 employees
- 68,000 advisors

Sun Life Malaysia

- Since 2013[2]
- Joint venture with Khazanah Nasional Berhad
- Exclusive Bancassurance partnership with CIMB Bank
- Life and Takaful business
- 510 employees

Vietnam — Sun Life Financial

- Since 2012[1]
- Acquired full ownership of PVI Sun Life in 2016 and rebranded to Sun Life Vietnam
- 260 employees
- 3,000 advisors

Indonesia — Sun Life Financial

- Since 1995
- 540 employees
- 10,000 advisors
- Acquired full ownership of PT CIMB Sun Life in 2016 and deepened partnership with CIMB Group through an extended bancassurance arrangement

[1] The joint venture received its license to operate in January 2013.
[2] Acquisition of the joint venture was completed in April 2013.
[3] Based on third party assets under administration as at 2016 year end – The Gadbury Report of MPF Market Shares 2016.
* Employee and advisor headcount as at December, 2016

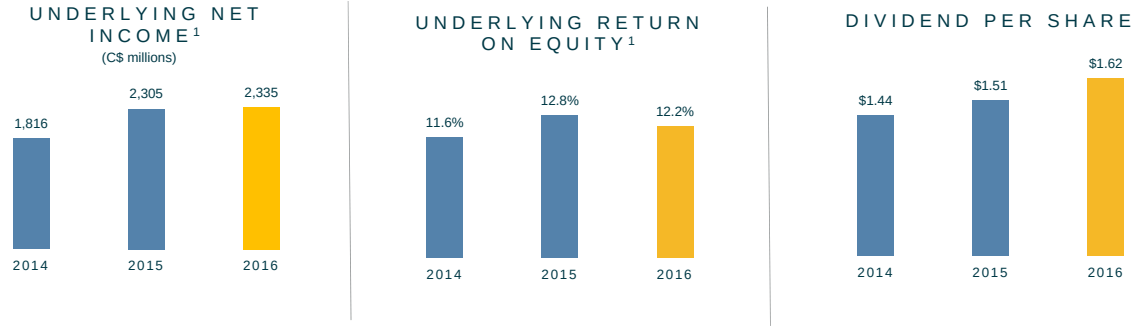
COLM FREYNE

Executive Vice President and Chief Financial Officer

KEY MESSAGES

1. Continued commitment to creating value for shareholders
2. Medium-term objectives are ambitious but achievable
3. Strong balance sheet with disciplined approach to capital management
4. Well positioned ahead of new capital rules in 2018

A COMMITMENT TO VALUE CREATION FOR SHAREHOLDERS



[1] All measurements represent non-IFRS financial measures. For additional information see non-IFRS Financial Measures in our 2016 annual Management's Discussion and Analysis.

MEDIUM-TERM OBJECTIVES SUPPORTED BY FOUR PILLAR STRATEGY

Annual EPS Growth : 8–10% ● **ROE Objective: 12-14%** ● **Payout Ratio: 40-50%**

CAN
- Impact of wealth management and Client initiatives
- Investments in technology to drive growth

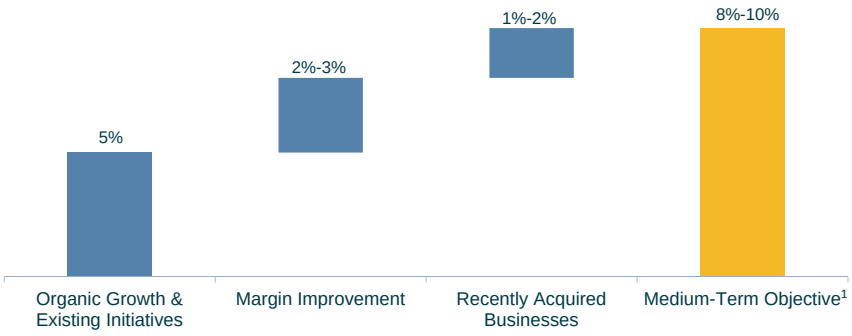
US
- Group integration, disciplined expense management and improved margins
- International Life business growth

AM
- Strong earnings and cash generation at MFS
- Achieve $100 billion in AUM at Sun Life Investment Management and expand margins

ASIA
- Organic growth and expense gap reduction through scale
- Benefit of acquisitions

The objectives are forward-looking non-IFRS financial measures based on underlying earnings and are not earnings guidance.

KEY DRIVERS SUPPORT MEDIUM-TERM EPS OBJECTIVES

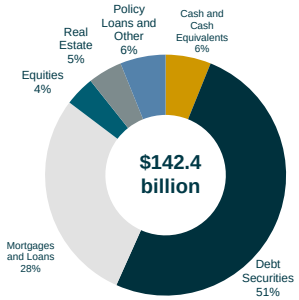


Additional opportunities through effective capital deployment

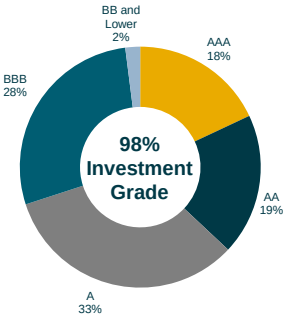
[1] The objectives are forward-looking non-IFRS financial measures based on underlying earnings and are not earnings guidance.

HIGH QUALITY, WELL DIVERSIFIED INVESTMENT PORTFOLIO

INVESTED ASSETS



DEBT SECURITIES BY RATING



COMPETITIVE ADVANTAGES

- Leading non-public portfolio with significant origination capabilities
- Strengthened real estate and commercial mortgage capabilities with Bentall Kennedy acquisition
- Deep credit research resulting in strong credit experience

As of December 31, 2016

INTEREST RATE IMPACTS - SOURCES OF EARNINGS

Expected Profit on In-Force Business	▪ Underlying earnings are driven by the release of margins, but do not change substantially with movements in rates
New Business Strain	▪ Current rate levels impact pricing and design and overall levels of strain ▪ Movements in interest rates affect margins on new business and demand for certain products
Experience Gains/(Losses)	▪ Market movements may result in policyholder behaviour that differs from expected ▪ Experience is closely monitored and hedge positions are adjusted accordingly ▪ Employ investment strategies with some exposure to gains from higher rates and losses from lower rates
Assumptions Changes and Management Actions	▪ Experience gains or (losses) are evaluated and may result in assumptions changes ▪ Magnitude of assumption changes fluctuates with movements in rates ▪ Management actions in response to interest rate movements to drive value
Earnings on Surplus	▪ Reflects duration and changes in portfolio yield ▪ Average surplus portfolio duration of five years

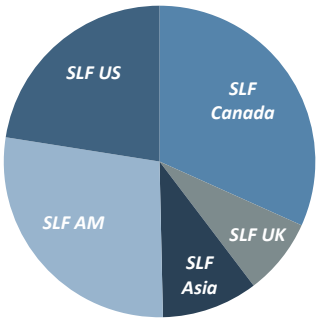
Required capital influenced by the overall level of interest rates

APPLYING STRINGENT CRITERIA TO M&A

	2015		2016	
	AM (Prime Advisors Inc., Ryan Labs, Bentall Kennedy)		US (Assurant)	ASIA (CIMB Sun Life, Birla Sun Life, Sun Life Financial Vietnam)
Adds scale or capabilities (product/distribution)	●		●	●
Accretive to earnings	●		●	●
Lifetime ROE in-line with financial objectives	●		●	●
Strategic fit under Four Pillar Strategy	●		●	●

STRONG CAPITAL GENERATION WITH BALANCED APPROACH TO DEPLOYMENT

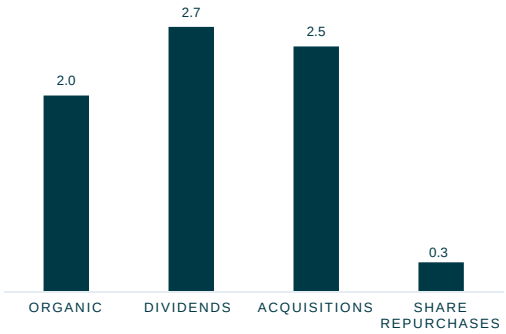
EXPECTED ANNUAL CAPITAL GENERATION



Net capital generation of $700 million per annum[1]

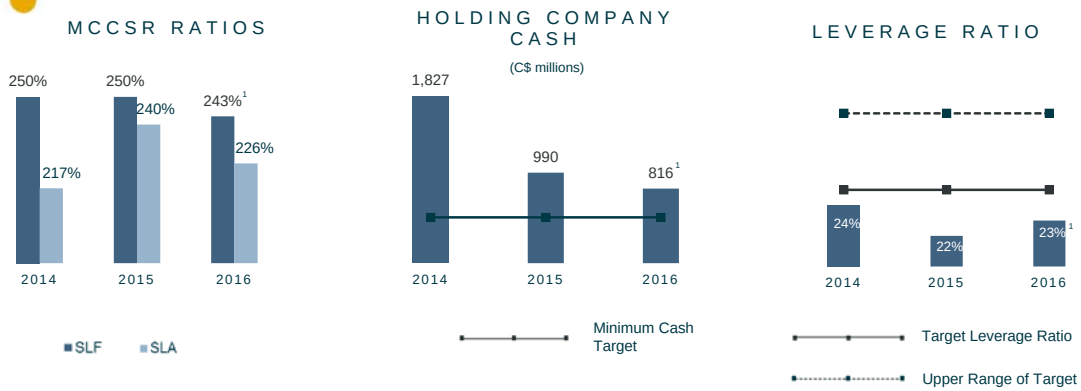
CAPITAL DEPLOYMENT
(C$ billions)

2014-2016



[1] Net capital generation is based on 200% MCCSR.

STRONG CAPITAL ADEQUACY AND FLEXIBLE BALANCE SHEET



[1] As of December 31, 2016 pro forma $800 million subordinated debt redemption on March 2, 2017.

PREPARING FOR A CHANGE TO REGULATORY CAPITAL - LICAT

Key Facts

- Effective January 1, 2018, LICAT will replace the current MCCSR Guideline
- LICAT better aligns capital requirements to risks, but impacts on individual insurers will differ
  - Mix of business
  - Risk appetite and risk management

Key Considerations

- Systems development to support new capital requirements
- Product and pricing assessments/business implications
- Updates to external stakeholders as year progresses

POSITIONED TO DELIVER ON TARGETS UNDER LICAT

US

ASIA

UK

- Local capital requirements and capital targets
- Dividends unaffected by LICAT

CAN

- Capital and cash generation directly impacted by LICAT

AM

- Excluded from regulatory capital requirements
- Dividends unaffected by LICAT

KEY MESSAGES

1. Continued commitment to creating value for shareholders
2. Medium-term objectives are ambitious but achievable
3. Strong balance sheet with disciplined approach to capital management
4. Well positioned ahead of new capital rules in 2018

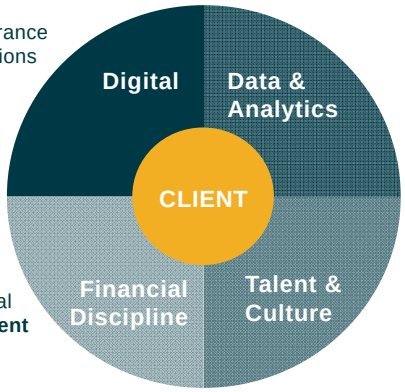
DEAN CONNOR

President and Chief Executive Officer

AMBITION TO BE "ONE OF THE BEST" INSURANCE AND ASSET MANAGEMENT COMPANIES IN THE WORLD

CAN

A Leader in Insurance and Wealth Solutions in our **Canadian home market**



US

A Leader in U.S. Group Benefits and **International** high net worth solutions

AM

A Leader in global **Asset Management**

ASIA

A Leader in **Asia** through Distribution Excellence in Higher Growth Markets

MEDIUM-TERM FINANCIAL OBJECTIVES[1]

EPS growth: 8-10% -- ROE: 12-14% -- Dividend payout ratio: 40-50%

[1] The objectives are forward-looking non-IFRS financial measures based on underlying earnings and are not earnings guidance.

APPENDIX

SUN LIFE FINANCIAL INC.

Sun Life Financial
Life's brighter under the sun

Forward-Looking Statements

Certain statements made in the Investor Day Presentations are forward-looking and include, but are not limited to statements relating to our growth strategies and initiatives, medium-term financial objectives, strategic goals, productivity and expense initiatives and other business objectives; and other statements that are not historical or are predictive in nature or that depend upon or refer to future events or conditions. Forward-looking statements may also include words such as "aim", "anticipate", "assumption", "believe", "could", "estimate", "expect", "goal", "intend", "may", "objective", "outlook", "plan", "project", "seek", "should", "initiatives", "strategy", "strive", "target", "will" and similar expressions.

All such forward-looking statements are made pursuant to the "safe harbour provisions" of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

The forward-looking statements made in the Investor Day presentations are stated as at March 9, 2017 and represent our current expectations, estimates and projections regarding future events and are not statements of historical facts. These forward-looking statements are not a guarantee of future performance and involve inherent risks and uncertainties and are based on key factors and assumptions, all of which are difficult to predict.

Future results and shareholder value may differ materially from those expressed in forward-looking statements due to, among other factors:

- the assumptions and other factors set out in the Investor Day presentations;
- the matters set out in the Company's 2016 annual management's discussion and analysis under Critical Accounting Policies and Estimates and Risk Management;
- the risk factors set out in the Company's annual information form for the year ended December 31, 2016 under Risk Factors; and
- other factors detailed in the Company's annual and interim financial statements and any other filings with Canadian and U.S. securities regulators made available at www.sedar.com and www.sec.gov.

By their very nature, forward-looking statements are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in or implied by such forward-looking statements. As a result, we cannot guarantee that any forward-looking statement will materialize and undue reliance should not be placed on these forward-looking statements. The forward-looking statements contained in the Investor Day presentations describe our expectations, estimates and projected future events at March 9, 2017. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in the Investor Day presentations. The forward-looking statements do not reflect the potential impact of any non-recurring or other special items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after March 9, 2017.

Forward-looking statements are presented to assist investors and others in understanding our expected financial position and results of operations as at March 9, 2017, as well as our objectives, strategic priorities and business outlook, and in obtaining a better understanding of our anticipated operating environment. Readers are cautioned that such forward-looking statements may not be appropriate for other purposes.

Strong Market Performance for All Four Pillars – Source Information

SLF Canada - Group Benefits: Fraser Group Universe Report, 2016 (for the year ended December 31, 2015). Group Retirement Services: Fraser Pension Universe Report, 2016 (for the year ended December 31, 2015). Retail Life Insurance: Life Insurance and Market Research Association ("LIMRA"), 2016.

SLF U.S. - U.S. Group Benefits: ranking revenues based on public company reports as at December 31, 2015 and includes DRMS, Stop-Loss revenues . Stop Loss: ranking based on Citigroup, NAIC report, statutory filings and Kaiser / HRET Survey of Employer-Sponsored Health Benefits, and internal data. Voluntary Benefits: ranking based on LIMRA Annual U.S. Worksite Sales and In Force Survey. Dental network: ranking based on Netminder, December 2016 .

SLF Asia - Rankings based on company analysis of externally disclosed 2015 sales and earnings data

SLF Asset Management - Asset Management Ranking: Investment & Pensions Europe - Top 400 Asset Managers 2016 (based on combined assets of MFS and Sun Life Investment Management). Core/Core Plus Ranking: IP Real Estate -- Top 100 Investment Management Survey

In this Investor Day presentation, Sun Life Financial Inc. and its subsidiaries, joint ventures and associates are referred to as "we", "us", "our" and the "Company".

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 with 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 the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results & reports.

Operating net income (loss) and financial measures based on operating net income (loss), consisting of operating EPS or operating loss per share, and operating ROE, are non-IFRS financial measures. Operating net income (loss) excludes from reported net income the impact of the following amounts that when adjusted, enable our investors to better assess the underlying performance of our businesses: (i) certain hedges in SLF 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 MFS's share-based payment awards, that are settled with MFS'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 MFS's results with publicly traded asset managers in the United States; (iii) acquisition, integration and restructuring amounts (including impacts related to acquiring and integrating acquisitions); (iv) goodwill and intangible asset impairment charges; and (v) other items that are not operational or ongoing in nature (e.g., gain or loss on disposal of businesses). Operating EPS also excludes the dilutive impact of convertible instruments.

Underlying net income (loss) and financial measures based on underlying net income (loss), consisting of underlying EPS or underlying loss per share, and underlying ROE, are non-IFRS financial measures. Underlying net income (loss) removes from operating 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; (b) assumption changes and management actions; and (c) other items that have not been treated as adjustments to operating net income, and when removed assist in explaining our results from period to period. Market related impacts include: (i) the impact of changes in interest rates that differ from our best estimate assumptions in the reporting period and 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; (ii) the impact of returns in equity markets, net of hedging, above or below our best estimate assumptions of approximately 2% per quarter in the reporting period and of basis risk inherent in our hedging program for products that provide benefit guarantees; and (iii) the impact of changes in the fair value of real estate properties in the reporting period. Assumption changes reflect the impact of revisions to the assumptions used in determining our liabilities for insurance contracts and investment contracts. The impact for insurance contracts and investment contracts of actions taken by management in the current reporting period, referred to as management actions include, for example, changes in the prices of in-force products, new or revised reinsurance on inforce business, and material changes to investment policies for assets supporting our liabilities. Underlying EPS also excludes the dilutive impact of convertible instruments.

Management also uses the following non-IFRS financial measures:

1. **Return on equity.** IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available. To determine reported ROE, operating ROE and underlying ROE, respectively, reported net income (loss), operating net income (loss) and underlying net income (loss) are divided by the total weighted average common shareholders' equity for the period.
2. **Adjusted revenue.** This measure is an alternative measure of revenue that provides greater comparability across reporting periods, by excluding the impact of: (i) exchange rate fluctuations, from the translation of functional currencies to the Canadian dollar, for comparisons ("Constant Currency Adjustment"); (ii) Fair value and foreign currency changes on assets and liabilities ("FV Adjustment"); and (iii) reinsurance for the insured business in SLF Canada's GB operations ("Reinsurance in SLF Canada's GB Operations Adjustment").
3. **MFS pre-tax operating profit margin ratio.** This ratio is a measure of the profitability of MFS, which excludes the impact of fair value adjustments on MFS's share-based payment awards, investment income, and certain commission expenses that are offsetting. These amounts are excluded in order to neutralize the impact these items have on the pre-tax operating profit margin ratio and have no impact on the profitability of MFS. There is no directly comparable IFRS measure.
4. **Impact of foreign exchange.** Several financial measures are presented on a constant currency adjusted basis to exclude the impact of foreign exchange rate fluctuations. These measures are calculated using the average or period end foreign exchange rates, as appropriate, in effect at the date of the comparative period.
5. **Other.** Management also uses the following non-IFRS financial measures for which there are no comparable financial measures in IFRS: (i) ASO premium and deposit equivalents, mutual fund sales, managed fund sales, life and health sales, and total premiums and deposits; (ii) AUM, mutual fund assets, managed fund assets, other AUM and assets under administration; (iii) effective income tax rates on an operating net income and underlying net income basis; (iv) the value of new business ("VNB), which is used to measure the estimated lifetime profitability of new sales and is based on actuarial calculations; and (v) 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, OSFI; (vi) dividend payout based on underlying net income.

Reconciliation of Net Income Measures	2016	2015	2014	2013	2012
Common shareholders' reported net income (loss)	**2,485**	**2,185**	**1,762**	**1,696**	**1,374**
Impact of certain hedges that do not qualify for hedge accounting	(5)	21	(7)	38	(7)
Fair value adjustments on share-based payment awards at MFS	30	(9)	(125)	(229)	(94)
Acquisition, integration and restructuring (includes ACMA in 2013 related to the sale of U.S. Variable Annuity business)	(27)	(80)	(26)	(56)	(4)
Common Shareholders' operating net income (loss)	**2,487**	**2,253**	**1,920**	**1,943**	**1,479**
Net equity market impact	51	(128)	44	76	104
Net interest rate impact	34	65	(179)	86	(214)
Net increases (decrease) in the fair value of real estate	22	20	12	30	62
Assumption changes and management actions / other items	45	(9)	227	170	256
Common shareholders' underlying net income (loss)	**2,335**	**2,305**	**1,816**	**1,581**	**1,271**

Material Assumptions and Risk Factors

The Company's medium-term financial objectives are forward looking non-IFRS financial measures and do not constitute guidance. Our ability to achieve those objectives is dependent on the Company's success in achieving the growth initiatives, business objectives and productivity and expense targets that will be described in the Investor Day presentations and on certain other key assumptions that include:

1. no significant changes in the level of interest rates;
2. average total equity market return of approximately 8% per annum;
3. credit experience in line with best estimate actuarial assumptions;
4. no significant changes in the level of our regulatory capital requirements;
5. no significant changes to our effective tax rate;
6. no significant change in the number of shares outstanding;
7. other key assumptions include: no material changes to our hedging program, hedging costs that are consistent with our best estimate assumptions, no material assumption changes including updates to the economic scenario generator and no material accounting standard changes, and
8. our best estimate actuarial assumptions used in determining our insurance and investment contract liabilities.

Our medium-term financial objectives are also based on best estimate actuarial assumptions as at December 31, 2016. Our underlying ROE is dependent upon capital levels and options for deployment of excess capital. Our 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.

Important risk factors that could cause our assumptions and estimates, and expectations and projections in the Investor Day Presentations to be inaccurate and our actual results or events to differ materially from those expressed in or implied by forward-looking statements, 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, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **market risks** - related to the performance of equity markets; changes or volatility in interest rates or credit spreads or swap spreads; real estate investments; and fluctuations in foreign currency exchange rates; **insurance risks** - related to mortality, morbidity, longevity and policyholder behaviour; 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; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the design and implementation of business strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; tax matters, including estimates and judgments used in calculating taxes; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; 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 and divestitures; **operational risks** - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; the execution and integration of mergers, acquisitions and divestitures; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; 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; the environment, environmental laws and regulations and third-party policies; and **liquidity risks** – the possibility that we will not be able to fund all cash outflow commitments as they fall due.