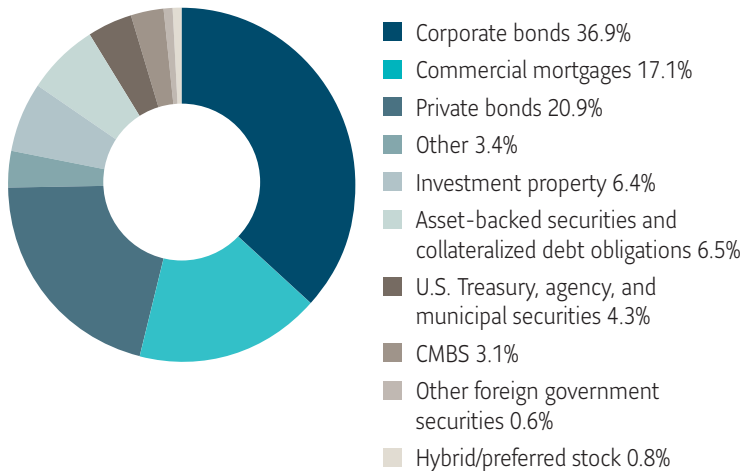


A time-tested approach to financial strength and risk management

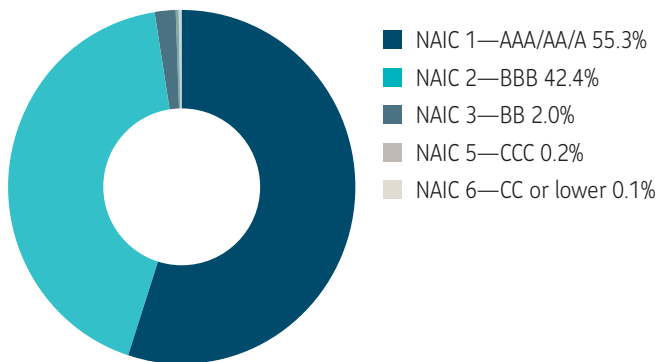


The products offered by the Sun Life group of companies include guarantees and benefits with the goal of helping our Clients achieve lifetime financial security and protection for important life stages. We accept a certain level of risk when we offer these products, and we manage a wide range of risks that could affect our financial obligations, including adverse market conditions, longer life expectancies, and inflation.

Sun Life Assurance Company of Canada Asset Mix^{1,2}



Sun Life Assurance Company of Canada NAIC Ratings Mix²



Our asset portfolios reflect our prudent investment and risk-management practices. No matter what the economic or market conditions, we strive to protect our reserves and capital from unnecessary risk and potential loss. This leads us to an investment strategy where we seek to:



- ✓ **maintain** a long-term focus and stay the course through market cycles,
- ✓ **diversify** across industries and companies, limiting the amount held in any one asset class or financial instrument to strive to minimize losses,
- ✓ **focus** heavily on investment research so we buy only what we know, and
- ✓ **employ** risk-adjusted credit exposure limits.

Our approach to maintaining our financial strength emphasizes active risk management and prudent investment choices. It's an approach that has stood the test of time.

1. Results as of December 31, 2019. 98.8% of Corporate bonds have an investment grade rating of BBB or above (excludes Hybrid/Preferred and Other). Corporate bonds include the following industry sectors: consumer discretionary, consumer staples, energy, financial, health care, industrial, information technology, materials, real estate, communication services, and utilities. Other includes equities, derivative assets, limited partnerships, mutual fund seed capital, and cash and cash equivalents.

2. Results as of December 31, 2019. Reflects U.S. portion (Branch) of Sun Life Assurance Company of Canada. Credit ratings noted include ratings one tier higher and one tier lower than the stated alphabetic credit classification.

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