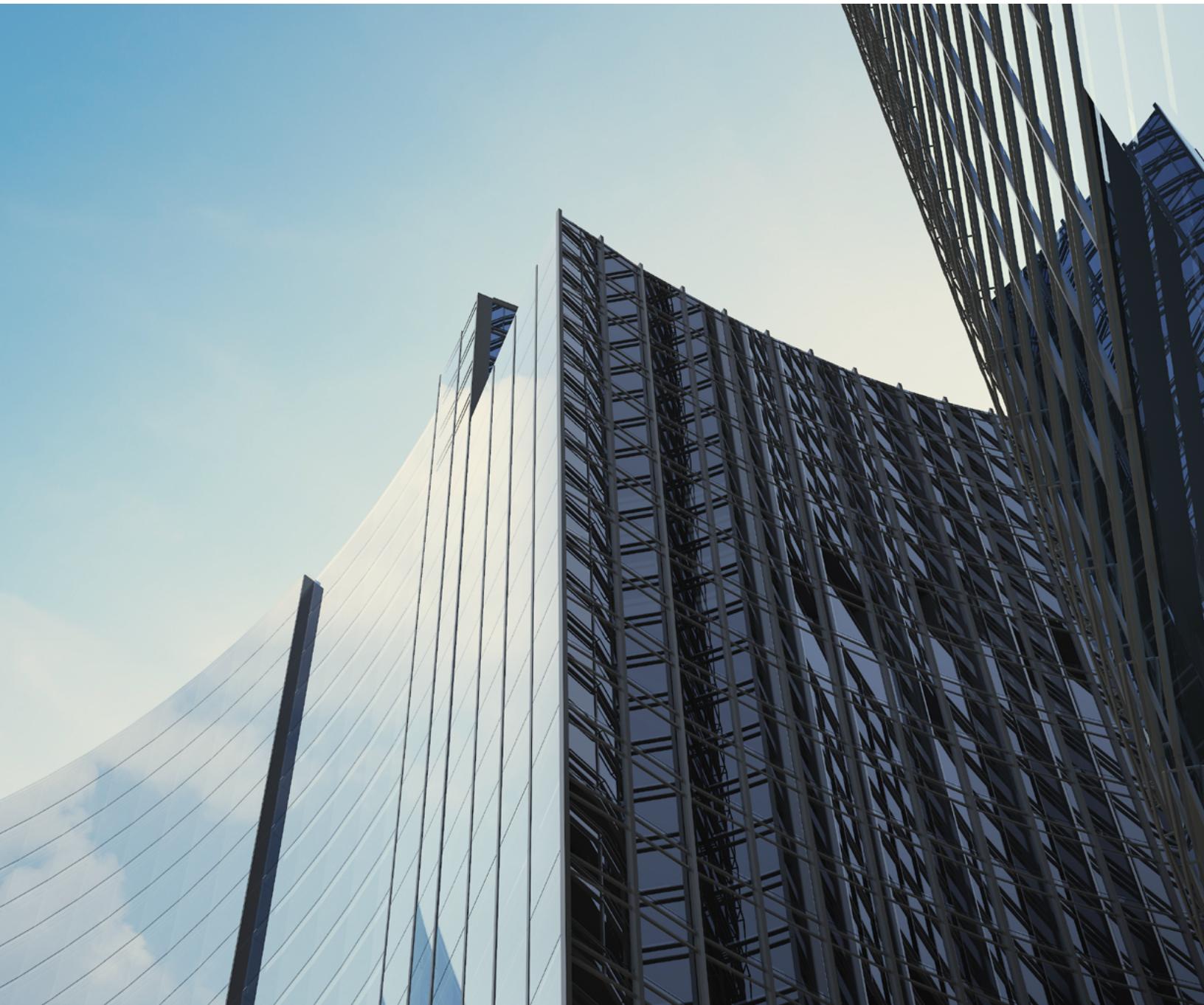


PARTICIPATING WHOLE LIFE INSURANCE

Facts & Figures

December 31, 2024



Sun Life. Your choice for participating whole life insurance.

Our history and long-standing commitment to our customers has made us a leading player in the Canadian financial services market.

At Sun Life, our mission is to help you achieve lifetime financial security. When you work with us, you're joining one in five Canadians who trust our ability to give them the advice, products and knowledge they need to confidently build a solid financial plan and put it in action.

Sun Par Protector II, Sun Par Accumulator II and Sun Par Accelerator are participating (par) whole life insurance solutions built to help meet the long-term savings and protection needs of Canadians. Sun Life designed all three products to help Canadians achieve a brighter financial future by providing life insurance protection, coupled with the opportunity to receive policy owner dividends from one of the strongest participating accounts in Canada.

Size

Over \$33.5 billion in invested assets, including approximately \$21.2 billion in the Sun Life Participating Account.



Loyalty

Over 1.1 million participating policy owners, including 400,000 in the Sun Life Participating Account.



History

The Sun Life Participating Account is over 150 years old. This gives us a balanced exposure between recently purchased assets and those we purchased over the course of the last 30 years.



Diversification

The Sun Life Participating Account is well-diversified among and within asset classes, including private fixed income and real estate.

For over 160 years Sun Life has been one of the trusted names in financial services, helping millions of Clients worldwide achieve lifetime financial security. With a strong and stable participating account and three leading par products, **Sun Par Protector II, Sun Par Accumulator II and Sun Par Accelerator**, we're well positioned to do so for years to come.

Did you know?

Sun Life has a long history with participating life insurance. We knew it was important to Clients the day we opened for business in 1871. While dividends are not guaranteed, Sun Life has declared and paid a dividend to all eligible policy owners every year since 1877, as directed by the Sun Life Board of Directors.

Sun Life. A long, strong history.

1871

The Sun Mutual Life Insurance Company of Montreal begins operations. The initial shareholders invest \$50,000 in cash.

1882

The company's name changes to the Sun Life Assurance Company of Canada.

1893

Sun Life begins operations in the U.K.

1899

Global expansion as Sun Life's reach extends throughout the West Indies and to Bermuda, South America and several markets in Asia including China, Hong Kong, India and Japan.

1914

In Montreal, construction begins on the landmark building known around the world as The Sun Life Building, the largest of its era in the British Empire. Its final phase is completed in 1933.

1919

Sun Life is the first Canadian company to offer group insurance – within a few years it's an important provider of group plans throughout North America.

1940

During WWII, the Bank of England begins using a vault three floors beneath the Sun Life building in Montreal to safeguard \$5 billion in foreign securities.

1956

The company enters the health and accident insurance business.

1962

Sun Life becomes a mutual company, buying back its shares for \$65 million in total.

1992

Sun Life's worldwide life insurance in-force passes the \$300 billion mark.

1998

On January 27, Sun Life announces its intention to demutualize. The planning, approvals and implementation occur over the following two years.

2000

On March 23, Sun Life Inc. has its Initial Public Offering (IPO) and its shares begin trading on the Toronto (TSX) and New York (NYSE) stock exchanges, and on the Philippine (PSE) stock exchange the following day.

2006

The company's annual earnings surpass \$2 billion. For the third year in a row Sun Life is named one of The Global 100 Most Sustainable Corporations in the World for excellence in social, environmental and strategic governance practices.

2009

In the face of the global financial crisis, Sun Life remains among the world's strongest insurance companies and continues building its businesses.

2015

Sun Life celebrates a double anniversary in March – 15 years since the company demutualized and became a public company on March 22, 2000 – and 150 years since its founding on March 18, 1865.

2019

Sun Life reaches a major milestone of \$1 trillion Assets Under Management.

2020

In the face of a global pandemic, Sun Life delivered solid financial results and went the extra mile to serve and support our Clients at a time when they needed us most.

2024 Financial highlights



The Sun Life Participating Account

Sun Par Protector II, Sun Par Accumulator II and Sun Par Accelerator are permanent participating whole life insurance policies. Policy owners have the opportunity to benefit not just from the returns generated by the assets within the participating account, but from favourable mortality and expense experience within the group of participating policies.

This document provides details about the Sun Life Participating Account Open and Closed Blocks¹ of participating policies only. It does not deal with the Clarica Participating Account.²

Strength and stability

The Sun Life Participating Account

- We are a strong, well-capitalized enterprise and we empower Clients with the ability to achieve lifetime financial security. Thanks to our unique approach, we have an established record of financial strength and long-standing tradition of honouring our financial commitments.
- As of December 31, 2024, the Sun Life Participating Account has approximately \$21.2 billion in total invested assets.
- As of December 31, 2024, we have approximately 400,000 participating life insurance policies in force within the Sun Life Participating Account.
- We meet our obligations to participating policy owners. In 2024, approximately \$266 million in policy owner death benefits was paid from the Sun Life Participating Account.
- Sun Life Assurance Company of Canada continues to receive strong ratings from the major rating agencies.³ Our capital strength, diversified business model and strong risk management practices combine to form a solid foundation. It's from this foundation that we fulfill our promises to Clients.

¹ A Closed Block is called a Pre-Conversion Individual Participating Closed Sub-Fund and an Open Block is the Post-Conversion Individual Participating Sub-Account in Sun Life of Canada's "Plan to Demutualize".

² In Canada, Sun Life maintains a separate participating account with respect to policies issued by Clarica Life Assurance Company and some of its predecessors. Policies originally issued by Sun Life Assurance Company of Canada are in a separate par account called the Sun Life Participating Account.

³ See www.sunlife.com for details on our ratings.

Value for the long term

Dividends to participating policy owners

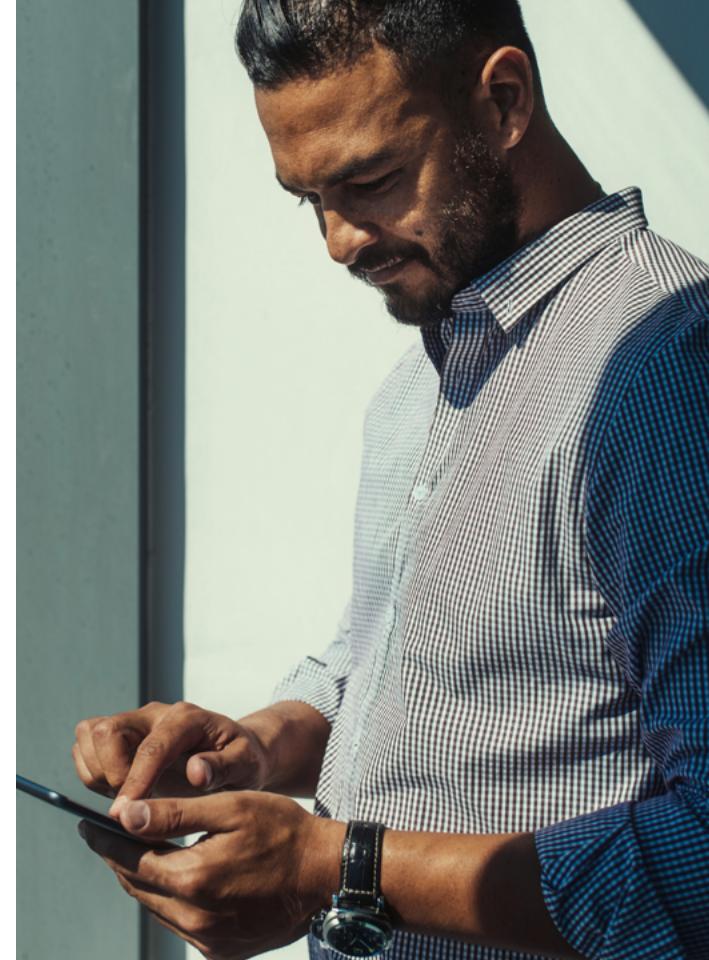
Sun Life's combination of a long-term investment strategy, a large, well-established par account and a prudent management philosophy contributes to strong returns for participating policy owners. These factors, along with the use of smoothing techniques, result in a dividend scale interest rate that's more stable and less volatile than the equity market itself.

- Sun Life has a long history with participating life insurance. We've declared policy owner dividends every year since 1877.
- In 2024 we paid a total of \$924 million in policy owner dividends, including \$656 million to owners of Open Block participating policies.
- The dividend scale interest rate in effect for 2025⁴ is 6.25%.
- Sun Life's Board of Directors uses its discretion to determine the distribution of dividends to participating policy owners and sets the policy for managing dividends for participating policies. Our dividend policy requires us to use a fair process for managing the total distribution to policy owners and dividing that distribution equitably among policy owners.

Investment expenses

Investment expenses incurred by the Sun Life Participating Account were 13.7 basis points in 2024. Expenses related to the management of the real estate component of the portfolio contribute to a significant proportion of this expense.

⁴ For Sun Life participating policies the dividend scale applies from April 1 to March 31.



Notes:

- The dividend scale interest rate is not guaranteed and is based on factors that are certain to change. The dividend scale interest rate is neither an estimate nor a guarantee of how the products will perform in future.
- The dividend scale interest rate is one of many factors we use to calculate the dividends that are paid to a specific policy. Dividends take into account factors such as the Client's age, premium payment period and type of product. Other factors include mortality, expenses, taxes and lapses.



Understanding participating life insurance and policy owner dividends



What is participating life insurance?

Participating life insurance products such as **Sun Par Protector II**, **Sun Par Accumulator II** and **Sun Par Accelerator** are built on a foundation of guaranteed premiums, guaranteed cash values and a guaranteed death benefit. Participating life insurance involves risk sharing between policy owners and Sun Life. Because they share in the risk, participating policy owners also share in the benefit when their group of participating policies performs better than originally expected.

We determine the guaranteed values for participating policies using a set of conservative long-term assumptions for the risks we share with policy owners. These risks include investment returns, mortality, expenses, taxes, inflation and lapses.

Each year, we compare our assumptions to the actual results we've seen and the future results we expect. If the results are better than our assumptions, they create earnings that become part of the participating account. If the results are worse than expected, the earnings will decrease.

How does participating life insurance work?

With participating life insurance, we hold the premiums we collect from each policy owner in a separate participating account. We use part of this money to pay benefits such as death claims and expenses. The rest stays in the participating account, where we invest it in assets including bonds, equities, real estate and other holdings. The goal is to ensure that the participating account grows in value enough to cover expenses and meet all current and future obligations to policy owners for the benefits guaranteed in the policy. If the participating account performs better than expected, this generates earnings that are eligible to be distributed as policy owner dividends. Dividends are not guaranteed, but will never be negative.

What are the components of a policy owner dividend?

A policy owner dividend is based on actual experience versus our assumptions on a number of key risks we share with participating policy owners. These risks include investment returns from the participating account, mortality, expenses, taxes, inflation and lapses. Investment returns in the participating account are the largest component of a policy owner dividend.

Other factors such as the Client's age, their dividend option, their premium payment period, the type of product they have and when they purchased the product influence the policy owner dividend we may credit to a specific policy.

What is the role of the dividend scale interest rate?

Investment returns are the largest component of a policy owner dividend and a major factor in determining the dividend scale for a block of participating policies. The dividend scale interest rate is based on the portfolio yield of the Sun Life Participating Account and takes into account other factors such as surplus levels and returns expected over the near term. We also employ smoothing techniques to help keep the dividend scale interest rate more stable over time.

Smoothing refers to the process of amortizing various investment gains and losses over a number of years. This helps maintain a more stable dividend scale interest rate over time.

What impact does a change to the dividend scale interest rate have?

The dividend scale interest rate is one of many factors we use to calculate the dividends that are paid to a specific policy. Dividends take into account factors such as the Client's age, premium payment period and type of product. Other factors include mortality, expenses, taxes and lapses.

A change to the dividend scale interest rate is one of several factors that can impact the future dividends of a participating policy. One of the key principles of participating life insurance is the sharing of risk on key assumptions between the participating policy owner and the company. Improvements in some of these factors may help offset a decline in others or vice versa. For example, a decrease in the dividend scale interest rate may be partially offset by better than expected mortality experience.

To better understand how a change in the dividend scale interest rate can impact long-term dividend values, see the reduced dividend scale example you received with your life insurance illustration.

Does every participating policy receive the same dividend?

No, we group our participating policies based on certain factors like the type of policy, when it was purchased and the insured person's gender and smoking status. Then we allocate dividends according to each group's experience. This approach is known as the contribution principle. Canadian insurance companies typically use the contribution principle to help ensure they distribute dividends fairly among the different participating policy owner groups.

Each group has its own dividend scale. The dividend scale determines how we'll allocate the available earnings for that group as dividends to each individual policy owner.



What is the difference between the Open and Closed Blocks?

When the company demutualized, we grouped the participating policies that had been issued before demutualization together and put them into their own separate sub-funds known as Closed Blocks.⁵ Over time, we'll pass all the earnings generated in a Closed Block to participating policy owners of that Closed Block as policy owner dividends. Our goal when we distribute policy owner dividends is to distribute them fairly over time.

If your policy was issued after demutualization, it's in a separate sub-account called the Open Block. Both Clarica and Sun Life suspended participating insurance sales in Canada (Clarica in 2002 and Sun Life in 2003), shortly after each company demutualized. In 2010, Sun Life resumed sales of participating life insurance. These policies are part of the Sun Life Participating Account Open Block. We continue to manage the earnings of each Open Block separately.

Do the Open and Closed Blocks share investment experience?

Assets from both the Open and Closed Blocks are pooled, with investment experience being shared across Blocks. In other words, both the Open and Closed Blocks utilize the same dividend scale interest rate.

How is the shareholder transfer applied to participating account earnings?

The shareholder transfer is only applied on dividends credited to Open Block policy owners. There is no shareholder transfer from the Closed Blocks. Regulations restrict the amount of earnings that may be passed to shareholders from the Open Blocks. For 2024, the maximum shareholder transfer is 2.68% of the dividends paid to Open Block policy owners for the year. This amount was \$17,611,973 in 2024.

⁵ A Closed Block is called a Pre-Conversion Individual Participating Closed Sub-Fund and an Open Block is the Post-Conversion Individual Participating Sub-Account in Sun Life of Canada's "Plan to Demutualize".



The value of experience balancing risk and return

Sun Life has a long history with participating life insurance. With over \$33.5 billion in participating account assets⁶, approximately \$21.2 billion of which are the assets in the Sun Life Participating Account, we have a wealth of expertise with managing participating accounts. Our approach to balancing risk and return is rooted in a corporate risk philosophy of taking appropriate risks to achieve solid returns. This philosophy is core to our corporate vision, mission and Client value proposition. The ability to take risks and manage them well is critical to remaining profitable and financially strong, while maintaining our competitive position in the market.

As of December 31, 2024, assets backing the Open Block in the Sun Life Participating Account were \$12.5 billion, which includes \$1.0 billion in surplus and \$2.1 billion in CSM*.

These assets support participating policies issued in Canada since we demutualized.

Information about the financial position of the Sun Life Participating Account – Open Block

This table shows the change in surplus for the Sun Life Open Block for 2021 through 2024.

Sun Life Open Block – in millions of Canadian dollars	2024	2023	2022	2021
Opening surplus	932	890	1,399	1,123
Opening CSM	1,744	1,042	—	—
Currency adjustment	0	0	0	0
Net earnings before policy owner dividends	743	588	625	651
Less policy owner dividends paid	656	532	459	365
Less transfers to shareholders	18	14	12	10
Less other transfers	0	0	0	0
Closing surplus	1,001	932	1,553	1,399
Closing CSM	2,100	1,744	—	—
Total assets	12,461	9,957	8,016	6,715
Total liabilities	11,460	9,025	6,463	5,316

Sun Life is permitted to transfer money from the participating account to shareholders' accounts. The amount that can be transferred is subject to limits set under federal law.
*CSM (or "Contractual Service Margin") is a liability introduced by IFRS 17 that represents the unearned profit that an entity expects to earn as it provides services. The CSM will be amortized into surplus over time. The adoption of IFRS 17 has no impact to our Dividend and Participating Account Management Policies.

⁶ These are the total invested amounts in Sun Life's participating accounts in Canada, including the Sun Life Participating Account and the Clarica Participating Account.

A long history of strong performance

Sun Life's investment management team manages the assets of the Sun Life Participating Account, monitoring the overall asset mix to ensure it remains within the investment guidelines.



Prudent investment approach

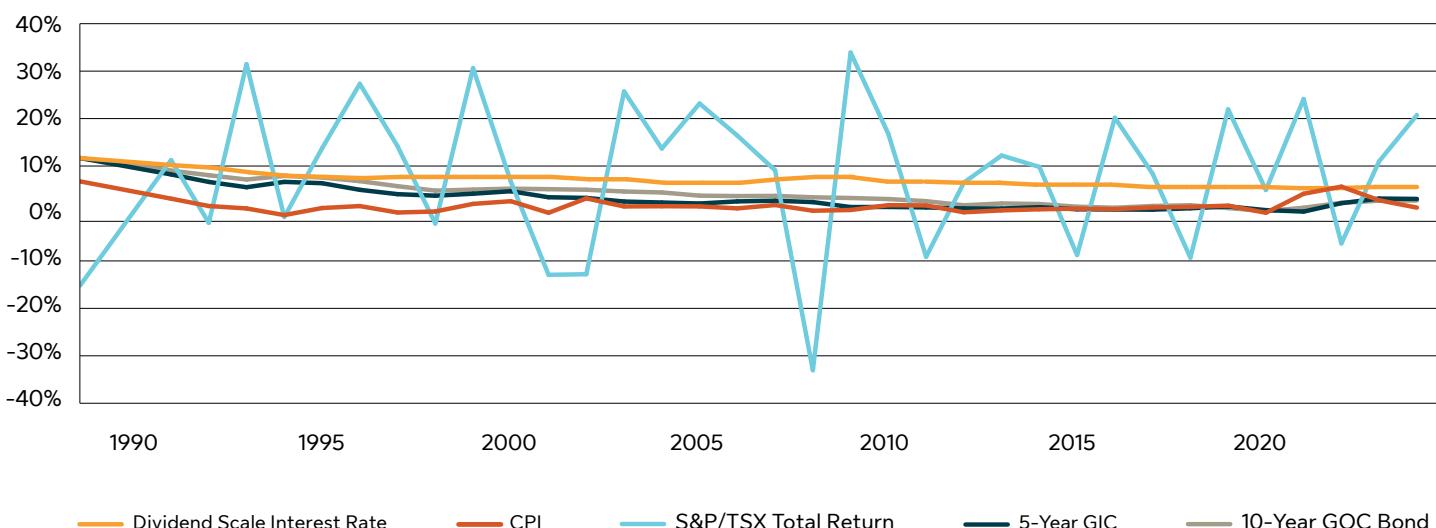
Sun Life has a well-diversified and high-quality asset portfolio that adheres to a research-based process conducted by more than 200 experienced professionals and support staff. Essentially, we buy only what we know, and we make sure our investments are diversified in various industries, companies, asset classes and financial instruments.

Active risk management

We employ a consistent and disciplined approach to identify, measure, monitor and manage risk. Our strong investment and risk management practices place Sun Life among the top global life insurance organizations. Our balanced product portfolio and global earnings mix also help minimize downturns in both specific business lines and in geographical markets.

Stability that comes with the Sun Life Participating Account

The following graph demonstrates the Sun Life Participating Account dividend scale interest rate's stability compared to returns on Government of Canada (GOC) 10-year bonds, the S&P/TSX index, five-year guaranteed investment certificate (GIC) returns and the Consumer Price Index (CPI).



As of December 31, 2024.

The graph on the previous page includes the impact of smoothing techniques Sun Life applies to ensure the effect of gains and losses in the portfolio pass through the dividend scale more slowly. Using this approach can help absorb the impact that short-term ups and downs in the market would otherwise have on how the dividend scale performs.

The result is a dividend scale that tends to be less volatile and less extreme than the underlying market.

Dividend scale interest rates tend to fall more slowly than actual interest rates and equity markets. However, they may also recover more slowly when actual interest rates increase or as equity markets enter periods of growth. As a result, the returns of the participating account will generally not reach the high highs or the low lows that the market itself might experience.

The table below demonstrates the stability of the Sun Life Participating Account.

Historical average returns as of December 31, 2024

Year	Sun Life Participating Account Yield	Sun Life Par Account dividend scale interest rate	Government of Canada 10-year bonds	S&P/TSX total return	Five-year GIC	Consumer Price Index
1-year (2024)	5.80%	6.25%	3.36%	21.65%	3.69%	1.83%
5-year	4.03%	6.15%	2.48%	11.08%	2.50%	3.40%
10-year	4.69%	6.30%	2.24%	8.65%	2.05%	2.62%
25-year	N/A	7.10%	3.42%	7.20%	2.52%	2.19%
25-year standard deviation	N/A	0.82%	1.40%	15.85%	1.09%	1.29%

The dividend scale interest rate is based on the Sun Life Participating Account (Open and Closed Blocks).

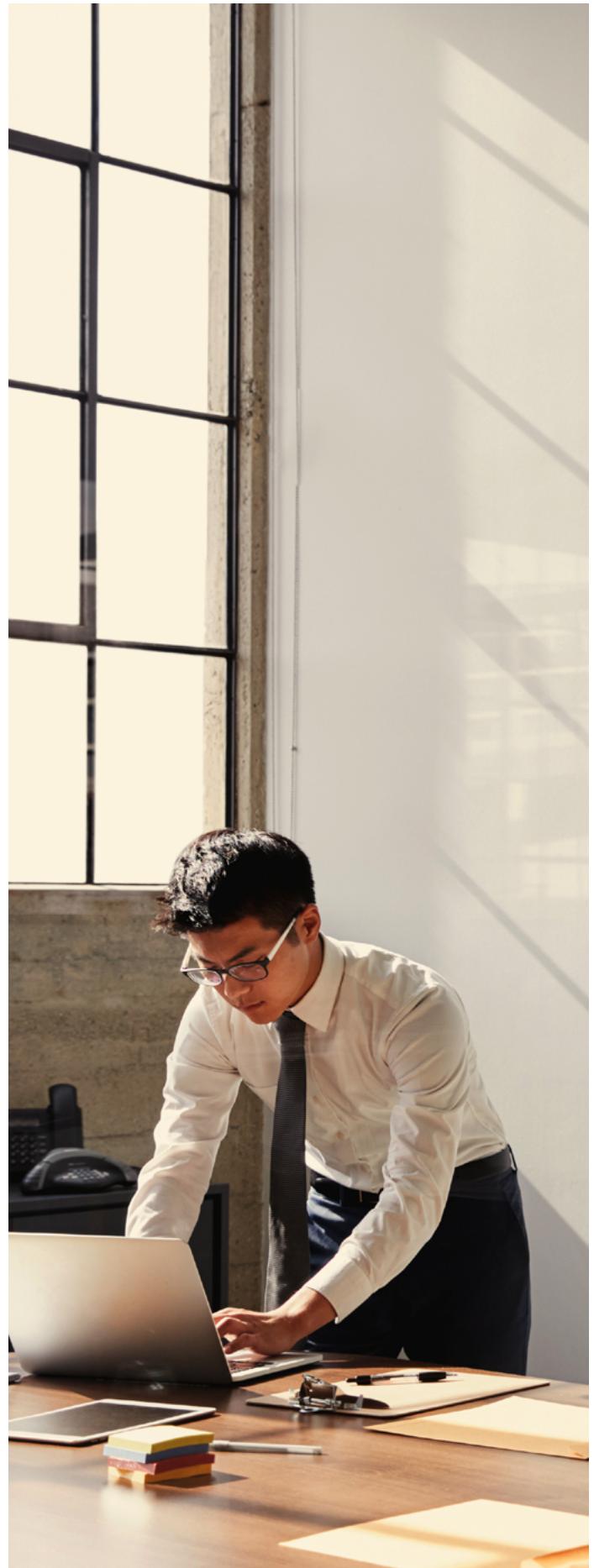
- The dividend scale interest rate used in determining the investment component of policy owner dividends is based on the smoothed returns on assets backing the participating account liabilities.
- The dividend scale interest rate is not guaranteed and is based on factors that are certain to change. The dividend scale interest rate is neither an estimate nor a guarantee of how the products will perform in future.
- Government of Canada bond returns are nominal yields to maturity taken from Statistics Canada. Table 10-10-0122-01 Financial market statistics, December 31, 2024, Bank of Canada.
- S&P/TSX composite total returns include the reinvestment of dividends.
- Five-year GIC returns are nominal yields to maturity taken from Statistics Canada. Table 10-10-0145-01 Financial market statistics, Bank of Canada.
- Consumer Price Index is taken from Statistics Canada. Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted.

Participating Account Investment Yields

The Sun Par yield calculation incorporates a mark-to-market (current market values) valuation of all assets in the fund. This is to reflect current market values. However, the dividend scale interest rate (DSIR) doesn't use the annual mark-to-market returns of some assets (such as fixed income held to maturity) to determine the amount of dividends to be distributed annually each year. This makes sense because Par liabilities are long in duration, so we invest for the long term. The DSIR is a reflection of both smoothed returns over the recent past and our projection of investment returns looking forward (in the short term). These are the reasons why the Sun Par yield should not be used as a predictor for the DSIR.

As an example, in an environment where interest rates are decreasing, the market value of bonds tends to increase. However, Par portfolios, in many cases, will hold bonds to maturity. A decreasing interest rate environment could indicate future decreases in the DSIR, all other things being equal. If interest rates were to rise, this could indicate future increases in the DSIR, however, because of smoothing, the increases or decreases in the DSIR will happen gradually.

As well, the returns on more volatile non-fixed investments, such as equities and real estate, are smoothed when incorporated into the DSIR (i.e. the gains and losses are not fully recognized in the year they occur but are spread out over a number of years). This can result in a similar average return over the long term but, in the short term, by taking an average return, it can significantly reduce the volatility of these assets.



Asset mix and investment guidelines

We manage the Sun Life Participating Account to meet the long-term needs of participating policy owners. The objective is to provide a superior, stable return.

Across and within the following asset classes, diversification and long-term investment expertise are the keys to our success.

Focused on a diversified asset mix

Because the participating account has a long-term investment philosophy and a focus on stable cash flows, Sun Life is able to invest in a wide variety of holdings including bonds, mortgages and equities. The portfolio's longer-term investments, such as its private fixed income and commercial real estate components, are a good match for the Sun Life Participating Account's long-term objectives.

Government & corporate bonds

The public bond portfolio is a mix of government and corporate issues diversified across geography, sector, investment quality and term to maturity. The quality of the portfolio is very high, with 100 per cent of holdings as of December 31, 2024, ranked as investment grade (BBB or higher).

Private fixed income

This is a high quality, diversified portfolio that invests in long-term debt and lease financing. The highly-customized nature of these assets gives the account a competitive advantage. Investment yields have the potential to be in excess of comparably rated public issues.

Commercial mortgages

The commercial mortgage portfolio is diversified across property type, including retail, multi-family and office/industrial. The quality of this portfolio is high, targeting appropriate risk-adjusted returns to create value for the participating account.

Equities

The equities portfolio includes public and private equities. Public equity investments include Canadian passive index exposure (TSX), United States passive index exposure (S&P 500), international passive index exposure (EAFE), and the Sun Life Global Investments (SLGI) managed Canadian active equity. The portfolio targets an equity return that exceeds the return on the TSX 60.

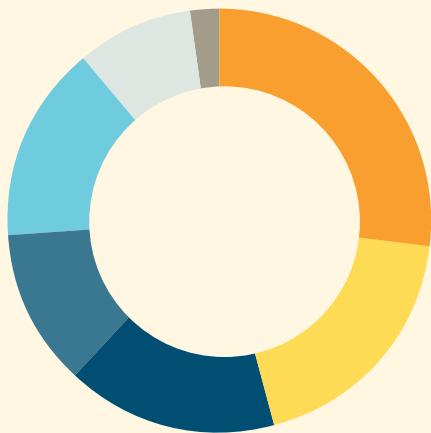
Private equity investments include investments not listed on a public exchange. Buyout and real estate funds in Canada and the United States make up the majority of the private equity holdings in the Sun Life Par Account. The account also includes a growing portfolio of financial services, distressed debt and infrastructure equity funds.

Real estate assets

Our commercial real estate portfolio is a well-diversified collection of office, industrial, retail and multi-residential properties with holdings in all the major markets across Canada.

Sound, strictly-observed investment guidelines

The investment guidelines for each asset class within the participating account are designed to satisfy the long-term objectives, liabilities, liquidity requirements and interest rate risks for our participating account.



- 27.0% Government bonds
- 15.3% Real estate
- 19.2% Equities
- 8.7% Commercial mortgages
- 15.6% Private fixed income
- 2.3% Cash and short term
- 11.9% Corporate bonds

Real estate holdings help manage inflation risk within the par account, and are managed by Sun Life's in-house real estate team and our property management and leasing partners.

The Canadian real estate portfolio is a diversified collection of office, industrial, retail and multi-unit residential properties with holdings in all the major markets across Canada. The majority of the portfolio is comprised of high quality, income-producing properties with virtually no leverage. Our objective with the real estate portfolio is to outperform other asset classes, helping to enhance the overall yield of the Sun Life Participating Account.

Private fixed income holdings are managed by Sun Life's in-house private fixed income team – the largest private placement team in Canada.

This team is recognized as a leader and one of the most active players in the Canadian private placement market. The highly negotiated and customized nature of these investments allows us to achieve yields well in excess of comparably-rated public securities. We seek private placement investments that, relative to publicly issued bonds, provide favourable spreads, better terms and diversification opportunities. This provides the Sun Life Participating Account with a significant competitive advantage.

Sun Life Participating Account asset mix

December 31, 2024 (\$ millions)

	\$ Millions	Percentage	Investment guidelines
Short-term assets			
Cash and short-term	489.10	2.30%	0% - 4%
Total short-term	489.10	2.30%	0% - 4%
Fixed income			
Public bonds			33% - 49%
Government bonds	5,740.36	27.02%	
Corporate bonds	2,521.43	11.87%	
Private fixed income	3,317.68	15.62%	5% - 20%
Commercial mortgages			4% - 20%
Insured	717.69	3.38%	
Uninsured	1,128.55	5.31%	
Total fixed income	13,425.71	63.20%	
Non-fixed income			
Equities			9.5% - 25.5%
Public equity	2,470.07	11.63%	
Private equity	1,603.75	7.55%	
Real estate	3,255.31	15.32%	12% - 22%
Total non-fixed income	7,329.13	34.50%	
Total invested assets	21,243.95	100%	
Policy loans	1,000.00		
Other assets⁷	100.00		
Total participating assets	22,343.95		

All values are current market values as at December 31, 2024, and don't include accrued income.

Term to maturity

Sun Life's fixed income investments are also diversified by their term to maturity, resulting in balanced exposure to current rates. For example, setting up a portion of the bond portfolio to mature over the next five years positions us to take advantage of yields over that period. This provides the potential of increasing rates rather than needing to buy all the bonds now in today's low interest rate environment.

Sun Life Participating Account years to maturity by fixed income asset type as of December 31, 2024

Years to maturity	0 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 or more years	Total
Public bonds	14.31%	16.89%	10.42%	23.35%	35.04%	100%
Private fixed income	22.59%	31.40%	19.31%	15.19%	11.51%	100%
Mortgages	38.03%	48.23%	10.48%	3.25%	0.00%	100%
Total fixed income	19.62%	24.78%	12.63%	18.57%	24.40%	100%

⁷ Other assets include accounts receivable, prepaid expenses and other miscellaneous assets.

Asset quality

Asset quality is also important to the long-term performance of the participating account. The quality of the bond portfolio is high with 100 per cent of holdings ranked as investment grade. Using double-A and single-A issues gives us the opportunity for an enhanced risk-adjusted return.

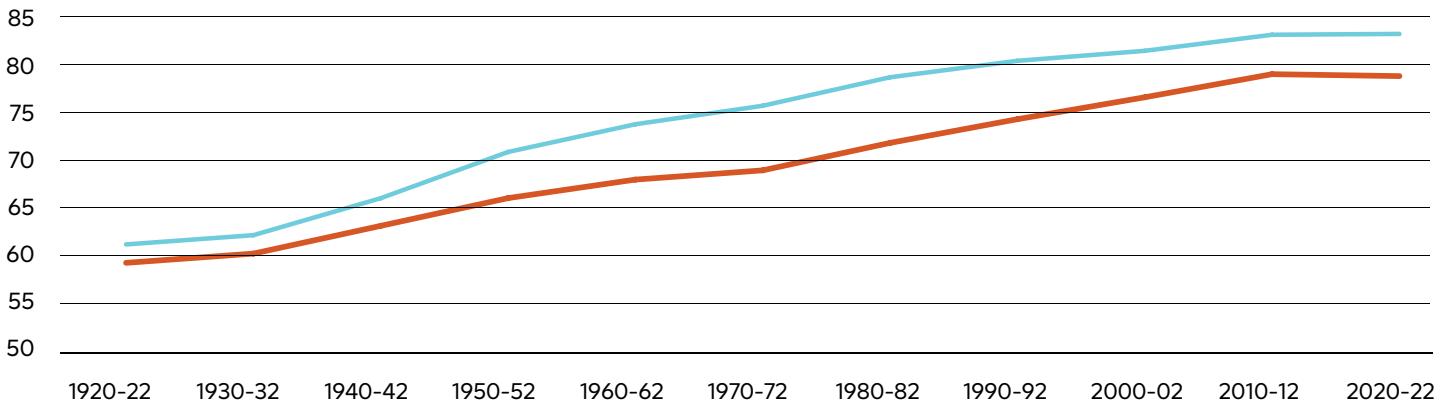
Sun Life Participating Account asset quality as of December 31, 2024

Asset quality	Public bonds	Private placements	Total
AAA	23.29%	2.45%	17.33%
AA	25.74%	14.30%	22.46%
A	42.34%	36.28%	40.60%
BBB	8.63%	44.83%	19.00%
BB or less	0.00%	2.14%	0.61%
Total	100.00%	100.00%	100.00%

Mortality and expense management

Because mortality trends develop slowly, mortality experience has a gradual impact on participating account earnings. Improvements to life expectancy such as those seen over the last number of years can lead to mortality experience on our participating policies that is better than our assumptions. This may generate earnings for the Sun Life Participating Account that we may distribute as policy owner dividends.

Life expectancy



Source: Statistics Canada. Table 13-10-0114-01. Life expectancy and other elements of the complete life table, three-year estimates, Canada, all provinces except Prince Edward Island

— Female — Male

Expenses include the costs we incur to administer, develop and market insurance products. Sun Life's prudent management of expenses is reflected in our ability to control and reduce expenses for our participating accounts based on the assumptions made in the dividend scale.

Protecting participating policy owner interests

Our Board of Directors oversees payment of dividends

At least once a year, the Sun Life Board of Directors reviews participating policy owner dividends to decide if policy owner dividends will be paid and what dividend scale we'll use to allocate them. Before declaring the annual participating policy owner dividend, the Board reviews a written report from the Appointed Actuary. This includes the actuary's signed opinion that the policy owner dividends being considered are in accordance with Sun Life's dividend policies and are fair to participating policy owners.

Separate account for participating policies

As required by law, we maintain an account for our participating policies that is separate from our accounts for non-participating policies and other businesses. This account records the assets, liabilities, premiums and any earnings only for the participating policies.

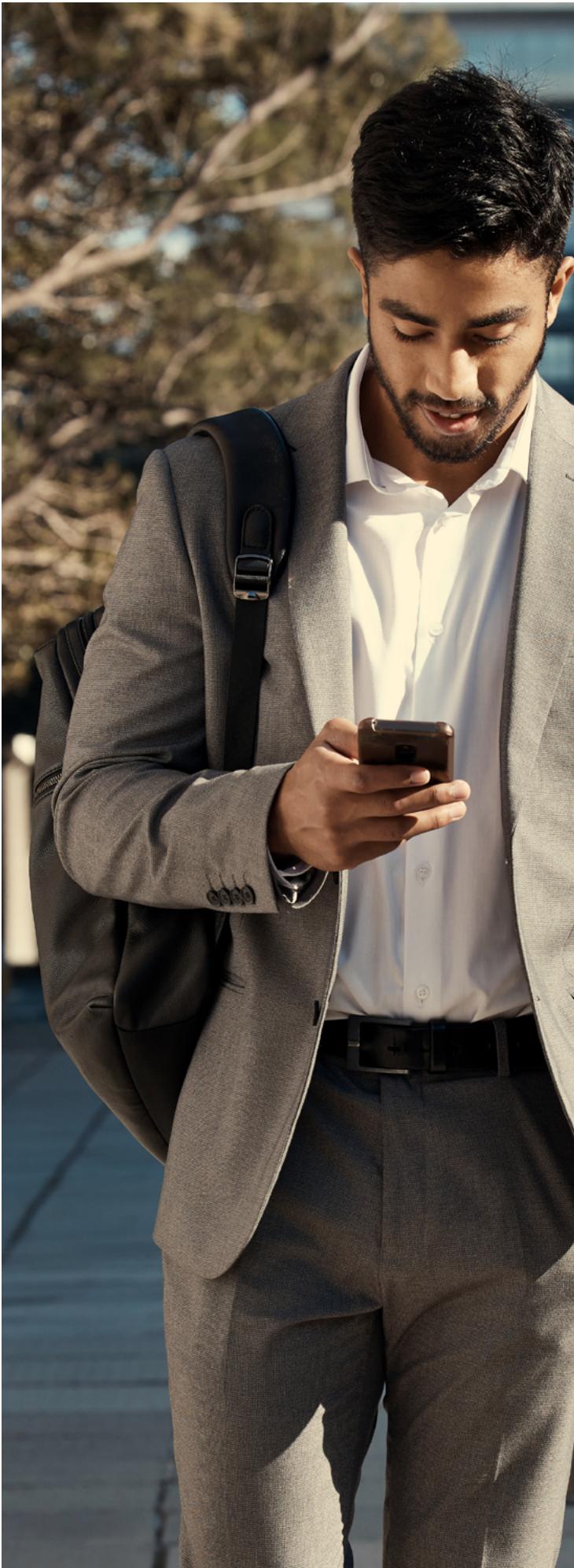
How are participating policy owner dividends and shareholder dividends different?

There is no direct relationship between these types of dividends. Policy owner dividends are based on the experience of the Sun Life Participating Account and are distributed to participating policy owners. Shareholder dividends are based on the company's overall performance, including earnings from all lines of business, and are paid to shareholders. Since the two types of dividends are not related, it's important to note that policy owner dividends may increase in the same year that shareholder dividends have decreased or vice-versa.

For more details on policy owner dividends and how participating life insurance works, please ask for a copy of one of our Sun Par Client guides.

For more details on Sun Life's par dividend policy and participating account management policy please visit:

[Sunlife.ca >](#)
[Insurance >](#)
[Life insurance >](#)
[Participating life insurance >](#)



Why choose Sun Life for participating life insurance?

For over 160 years Sun Life has been one of the trusted names in financial services, helping millions of Clients worldwide achieve lifetime financial security. Our first participating policy was issued in 1871 and policy owner dividends have been declared every year since 1877.

We provide a diverse range of protection and wealth accumulation products and services to individuals and corporate Clients. For over 160 years, Sun Life's group of businesses has helped millions of Clients worldwide achieve the peace of mind that comes with a lifetime of financial security – and we're well positioned to do so for years to come.

At Sun Life, our goal is to provide relevant and candid advice, encourage you to be proactive about your finances and give you the tools to help create the life you want to lead. When you work with us, you're joining millions of Canadians who trust in our ability to give them the products, knowledge and confidence they need to build a solid financial plan and put it into action.

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