Sun Life Financial Investments Overview
FOURTH QUARTER 2009

Sun Life Financial

Sun Life Financial is a leading financial services organization providing a diverse range of protection and wealth accumulation products and services to individuals and corporate customers. Tracing its roots back to 1865, Sun Life Financial Inc. and its subsidiaries (collectively, "Sun Life Financial") have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, and Bermuda. As of December 31, 2009, the Sun Life Financial group of companies had total assets under management of CDN$433 billion.

While the financial services industry continues to endure a stressed credit environment and adverse conditions in the commercial real estate market, Sun Life Financial's balance sheet remains strong and well-diversified. The company continues to be financially disciplined and has maintained its strong capital base to provide added protection from market volatility.

Sun Life Financial's long history of prudent risk management and strong investment skills will continue to provide our customers and stakeholders with the confidence that Sun Life Financial will successfully navigate through the challenges of these uncertain times. Through numerous recessions, the companies in the Sun Life Financial group have consistently delivered on their promises to protect their customers.

The company's financial strength ratings

Sun Life Financial's principal U.S. insurance company subsidiaries continue to earn high financial strength ratings from independent rating agencies. On December 31, 2009, A.M. Best, Standard & Poor's and Moody's financial strength ratings of the following Sun Life Financial subsidiaries were either "Superior," "Very Strong," or "Excellent."

Subsidiary	A.M. Best	Standard & Poor's	Moody's
Sun Life Assurance Company of Canada	A+[1] (Superior) Second of 16 rating levels	AA[2] (Very Strong) Third of 20 rating levels	Aa3[1] (Excellent) Fourth of 21 rating levels
Sun Life Assurance Company of Canada (U.S.)	A+[1] (Superior) Second of 16 rating levels	AA[2] (Very Strong) Third of 20 rating levels	Aa3[2] (Excellent) Fourth of 21 rating levels
Sun Life Insurance and Annuity Company of N.Y.	A+[1] (Superior) Second of 16 rating levels	AA[2] (Very Strong) Third of 20 rating levels	Not Rated

1. Outlook stable.
2. Negative outlook.

MCCSR and RBC ratios

As of December 31, 2009, Sun Life Assurance Company of Canada had a Minimum Continuing Capital Surplus Requirements (MCCSR) ratio of 221%, well in excess of Canadian regulatory capital target for life insurance companies.

The Risk Based Capital (RBC) ratio for Sun Life Assurance Company of Canada (U.S.) on December 31, 2009, has not been finalized. We are expecting it to be well within the internal targeted range of 300% to 350%, well above the regulatory minimum of 100%.

The company generally maintains an overall asset liquidity profile that exceeds requirements to fund potential demand liabilities under prescribed adverse liability demand scenarios.

All information and financial data as of December 31, 2009. All currency is in Canadian dollars.

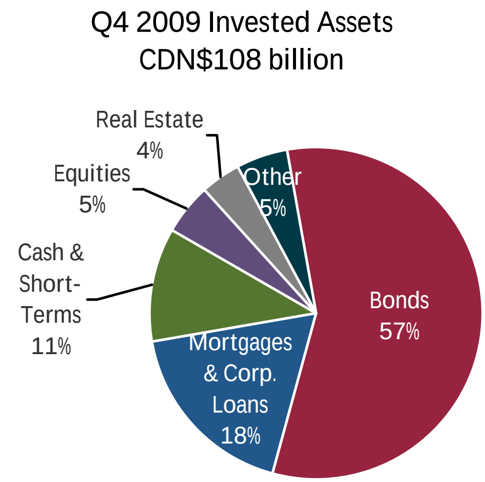
Sun Life Financial's investment portfolio

Sun Life Financial has a well-diversified and high-quality asset portfolio. We have a conservative balance sheet and place a premium on strong investment and risk management capabilities. Sun Life Financial routinely reviews its liquidity positions as a standard part of its risk management practices and continually monitors U.S. and international markets.

Our approach to managing the investment portfolios in all asset classes is similar:

- Our time frame is generally focused **on a longer term** than that of many investors, and we invest to hold through a cycle
- Team of approximately 200 experienced professionals and support staff
- Team approach across asset classes
- Strict adherence to a research-based process (We buy only what we understand)
- Wide diversification
- Risk-adjusted credit exposure limits
- Disciplined risk management

The consolidated investment assets of the Sun Life Financial group of companies are depicted to the right. The "Other" category is comprised primarily of policyholder loans, derivative assets, and investments in limited partnerships. Five percent, or $5.0 billion, is invested in equities. About 60% of our equity portfolio is invested in exchange-traded funds, with the remainder invested in common and preferred shares in Canada, United States, United Kingdom, and Asia — primarily in Hong Kong.



In 2009, Sun Life Financial's investment portfolio was affected by net impairments and downgrades, specifically in asset-backed securities, the majority of which represented mortgages and commercial loans in the United States. Additional reserves have been established for the asset-backed securities portfolio to offset expected future losses. While there are signs of economic recovery, the commercial real estate market will more than likely lag behind the economic recovery and will largely be dependent on macroeconomic factors such as job growth and consumer confidence. These and other factors affect expected losses in the underlying collateral pools of some of these securities. As such, further write-downs on securities may occur.

Bond portfolios

(CDN$ millions)

Type	Held for Trading	Available for Sale	Total	BBB and Higher
Government Issued / Guaranteed Bonds	$15,307	$1,466	$16,773	99%
Corporate Bonds	32,763	7,605	40,368	95%
Asset-Backed Securities	3,564	602	4,166	87%
Total	$51,634	$9,673	$61,307	96%

Sun Life does not initially invest in below investment grade bonds, but neither will we necessarily divest from bonds that have fallen below investment grade when we believe they continue to have good value, as evidenced by the 4% of the portfolio rated below investment grade. Consistent with the credit environment, the overall quality of the bond portfolio deteriorated during 2009 as a result of downgrades across the credit quality spectrum. The deterioration in quality was partially mitigated by portfolio repositioning. Sun Life's bond portfolio is well diversified across approximately 1,200 names, representing a variety of sectors.

Asset-backed securities

(CDN$ millions)

Sun Life Financial's bond portfolio included $4.2 billion of asset-backed securities reported at fair value, representing approximately 7% of the company's bond portfolio, or 4% of the company's total invested assets. This compares to $5.1 billion on December 31, 2008. The $0.9 billion decrease in the value of asset-backed securities was primarily the result of net sales and maturities, the strengthening Canadian dollar, and higher interest rates partially offset by narrowing credit spreads. Over the course of 2009, the credit quality of the portfolio's asset-backed securities deteriorated as a result of downgrades.

We determine impairments on asset-backed securities by using discounted cash flow models that consider losses under current and expected economic conditions and under a set of assumed default rates and loss given default expectations for the underlying collateral pool. Assumptions used include macroeconomic factors, such as commercial and residential property values and unemployment rates. Assumed default rates and loss given default expectations for the underlying collateral pool are assessed on a security by security-basis-based on factors such as the seasoning of the underlying assets, whether the underlying assets are fixed or adjustable rate loans and the likelihood of refinancing at reset dates. If the cash flow modeling projects an economic loss and we believe the loss could occur, an impairment is recorded.

Type	Amortized Costs	Market Value	BBB and Higher	Comments
Commercial Mortgage-Backed Securities (CMBS)	$2,219	$1,772	92.9%	92% is "AAA" or issued before 2006 99% is fixed rate
Residential Mortgage-Backed Securities (RMBS) — non-agency	1,318	886	80.2%	89% is "AAA" or issued before 2006 85% is fixed rate
RMBS — agency	735	768	100%	
Collateralized Debt Obligations (CDO)	243	169	34.9%	70% is "AAA" or issued before 2006
Other *	729	571	80.6%	
Total	$5,244	$4,166	87.5%	Includes sub-prime and Alt-A shown below

*As of December 31, 2009, the company had indirect exposure to residential sub-prime and Alternative-A (Alt-A) loans with market values of $137 million and $109 million, respectively, together representing approximately 0.2% of the company's total invested assets.

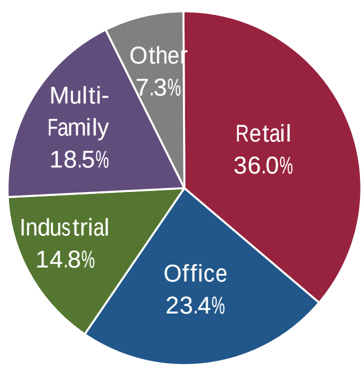
87.5% of Sun Life Financial's asset-backed securities are rated BBB and higher. Also worth noting are the high levels of underlying fixed rate mortgages supporting mortgage-backed securities. Fixed rate mortgages, particularly in the residential market, have no risk of rate reset default. Our total asset-backed bonds that are not investment grade stand at $522 million at the end of Q4, **which represents 0.5% of Sun Life Financial's $108 billion of invested assets.**

Sun Life Financial's asset-backed securities portfolio is highly sensitive to fluctuations in macroeconomic factors, assumed default rates for the underlying collateral pool, and loss given default expectations. In addition, the asset-backed portfolio has exposure to lower rated securities that are highly leveraged, with relatively small amounts of subordination available below the company's securities to absorb losses in the underlying collateral pool. For these securities, if a relatively small percentage of the underlying collateral pool defaults, the company may lose all of its principal investment in the security.

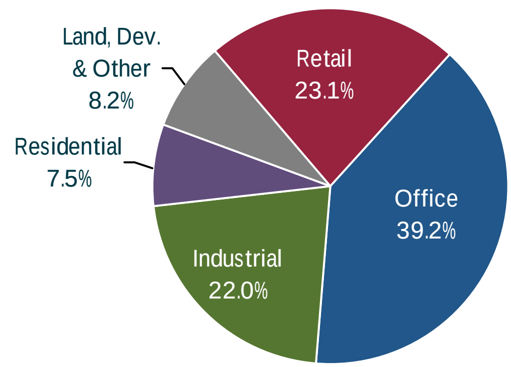
Mortgage and real estate portfolio

Sun Life Financial has a consolidated $13.8 billion mortgage portfolio with approximately 4,000 commercial mortgages, $7.2 billion in Canada, and $6.2 billion in the United States. **We do not have any direct U.S. single family residential mortgage exposure**. By policy, **Sun Life Financial requires a maximum loan-to-value ratio of 75%,** but it may invest in mortgages with a higher loan-to-value ratio in Canada if the mortgage is insured. The average loan-to-value ratio in the North American commercial loans portfolio is approximately 60%. Sun Life Financial has $4.9 billion in direct real estate, split 67% in Canada, 28% in the United States, and the remaining in the U.K. and Asia, and comprising approximately 490 properties.

Mortgages by Type



Real Estate by Type



Insurance company subsidiaries

Insurance products are issued by several different insurance companies in the Sun Life Financial group of companies. These insurance companies follow substantially the same investment policies and guidelines, which are set by their corporate parent, Sun Life Financial Inc., which is a publicly traded holding company. Sun Life Financial Inc. does not issue annuities or insurance policies, and its insurance subsidiaries remain separate companies. Each of these insurance subsidiaries is regulated and subject to periodic examination by a different state insurance department, which reviews the capital reserves and other attributes of financial strength of those companies. Although each insurance company in the Sun Life Financial group of companies enjoys the benefits of being part of a larger enterprise, which is reflected in the ratings of independent rating agencies, Sun Life Financial Inc. does not guarantee the obligations of the insurance companies under the annuity contracts or insurance policies they issue.

Forward-looking statements and risk factors

Certain statements in this document, including statements that are predictive in nature, that depend on or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "believes," or similar expressions are forward-looking statements within the meaning of securities laws. Forward-looking statements include information concerning possible or assumed future results of operations of Sun Life Financial Inc. and its subsidiaries. These statements represent the company's expectations, estimates, and intentions regarding future events and are not historical facts. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Future results may differ materially from what is expressed in these forward-looking statements due to, among other factors, the matters set out under "Risk Factors" in the Sun Life Financial Inc. Annual Information Form and to the factors detailed in its other filings with Canadian and U.S. securities regulators, including its annual and interim Management's Discussion and Analysis and financial statements, which are available for review at www.sedar.com and www.sec.gov.

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