

Sun Life Financial Client Guide



SunWise[®]
EssentialSeries | 2



managed by CI Investments Inc.



issued by Sun Life Assurance Company of Canada



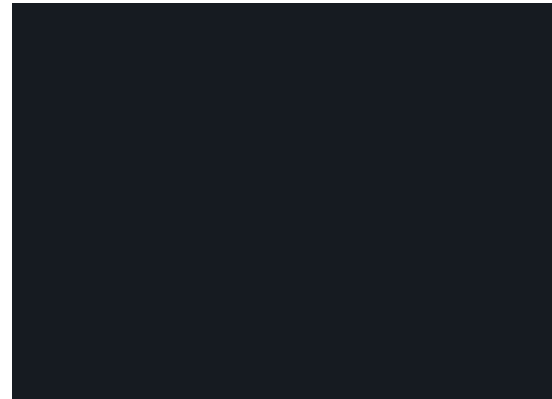
SunWise Essential Series 2 is all about putting safety first.

Whether it's your investments, your retirement income or the value of your estate, SunWise Essential Series 2 can securely guide you and your spouse through your saving and wealth accumulation years into your retirement years, with confidence.

SunWise Essential Series 2 can:

- protect your savings as you grow your wealth
- guarantee you and your spouse an income for life starting as early as age 55
- ensure that your guaranteed retirement income will grow, and
- preserve the value of your estate for your loved ones.

It's an essential part of any investment strategy.



Potential growth plus protection

With SunWise Essential Series 2, you can benefit from the advantages of investment funds:

- potential for growth
- outstanding money management
- diversification, choice and flexibility of investments.

And, receive all the protective features of an insurance contract backed by the strength of Sun Life Financial:

- a guaranteed income for life for you and your spouse starting as early as age 55
- growth of your guaranteed income through an annual 5% Bonus for up to 15 years
- principal protection at contract maturity or death
- locking in of portfolio gains through automatic resets for death benefits and guaranteed income for life
- estate planning benefits (avoidance of the probate process and fees)
- potential creditor protection if the proper beneficiary designation is in place.



SunWise Essential Series 2 is available in three classes

Income Class is for investors age 50-plus who are at retirement or approaching their retirement years. At retirement, it provides a guaranteed, predictable, tax-efficient annual income beginning at age 65, of at least 4% of your deposits for life, regardless of market performance.* Clients can elect an option to receive payments of 3% of their LWA base starting at age 55. Other conditions may apply.



Investment Class is for those primarily under the age of 50 who are continuing to build their wealth and want to see their investments grow. You can maximize your exposure to the growth potential of the markets with 100% equity investments.



Estate Class is for anyone who may want to ensure maximum estate value for their beneficiaries, in addition to minimal estate settlement costs and delays.



* Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.

Retirement risks

As you get closer to retirement, you face new and unique risks. These risks can have a significant impact on your ability to sustain a reliable retirement income.

Longevity

Canadians are living longer, increasing their chances of outliving their money during retirement. Today, there is a one-in-three chance that a 65-year-old man will live to age 85; for women, the odds are about one-in-two. For a couple, there is a 40% chance that one of them will live to age 90.*

Inflation

Even at the currently low level of about 2%, inflation can have a severe effect on your standard of living

over time. Many people will face a retirement of at least 25 years, so it's important to keep your savings growing to help protect your purchasing power.

Market risk

A significant market downturn near, or during the early years of retirement can substantially reduce your retirement portfolio and the income it produces. That's because you are in the retirement risk zone – the five to 10 years just before and after you retire. It's a critical time when short-term losses can have negative long-term effects because there's little or no time for your investments to recover from the losses.

* Source: *Asset Allocation and the Transition to Income*, Milersky & Salisbury, September, 2006.



How to guarantee your retirement income

SunWise Essential Series 2 Income Class is all about putting safety first in protecting your retirement income.

Retirement is changing. Most Canadians no longer have the security of company pension plans. For those that do, many are seeing their benefits cut back as companies struggle to meet the expense of funding the plans.

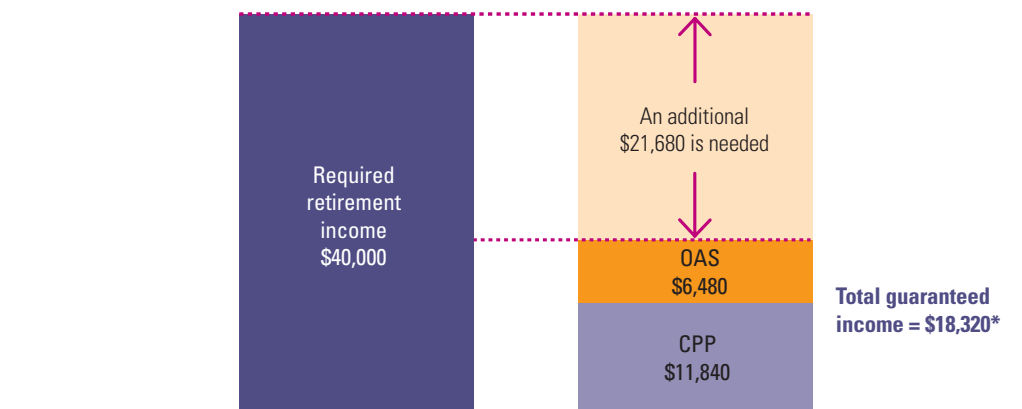
Two decades ago, government retirement plans, such as the Canada and Quebec Pension Plans and Old Age Security, provided nearly 60% of the average

Canadian wage in retirement. Today, they provide a retirement income that is only about 40% of the average wage.

Increasingly, Canadians will need to rely on their retirement savings in order to generate an adequate retirement income.

With guaranteed income for life, Income Class can help you fill the gap between your expected retirement income and your expenses.

SunWise Essential Series 2 Income Class can help fill the gap



* All amounts have been rounded. Based on 2012 maximum benefits at age 65, Canadian Pension Plan is \$11,840 a year or \$987 per month, and Old Age Security is \$6,480 a year or \$540 per month



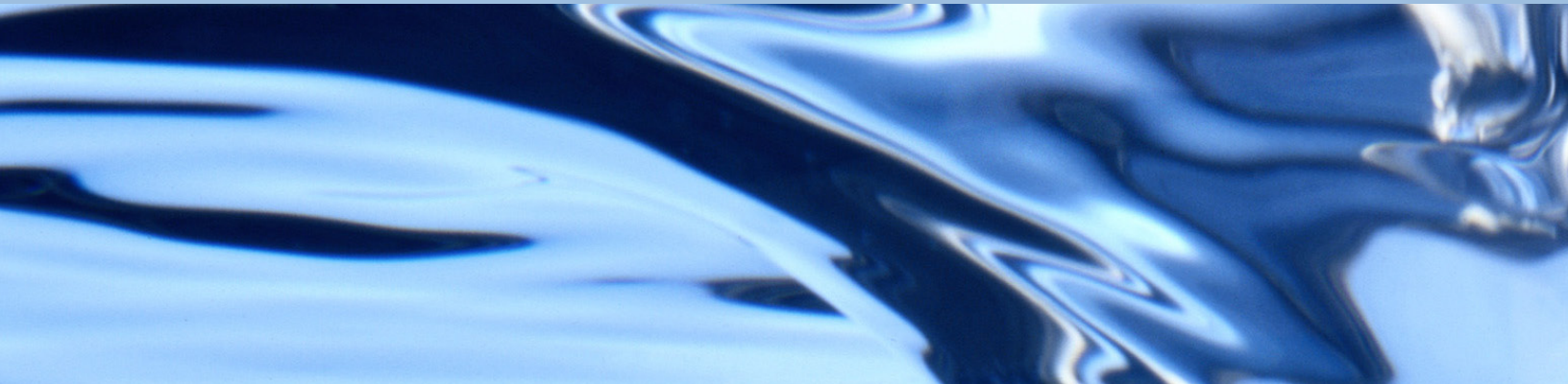
A grayscale photograph of a person sitting in a field, viewed from the side. The person is wearing a short-sleeved shirt. In the background, a large, leafy tree stands prominently. The overall scene is peaceful and natural.

The question isn't at what age
I want to retire, it's at what income.



SunWise Essential Series 2 Income Class

Income Class is for investors primarily looking to receive a guaranteed, predictable, tax-efficient annual income beginning at age 65, of at least 4% of their deposits for life, and up to two lives, regardless of market performance.*



Before withdrawals start, investors nearing retirement receive an annual 5% Bonus allocated to their guaranteed income for every year they don't draw income from their portfolio, up to a maximum of 15 years (plus a prorated amount in the first year) after the initial deposit into Income Class. This ensures that the guaranteed amount of income will grow prior to retirement.

Instead of starting withdrawals at age 65, you can postpone taking income until age 70, or later. In addition, you can ensure an income for life for yourself (the One-Life Income Stream) or you and your spouse (the Two-Life Income Stream option).

Income Class also provides principal protection guarantees of 75% at contract maturity and 100% death benefit guarantee (subject to Late Deposit Reduction for deposits after age 75) with automatic resets to the death benefit every three years on the Contract Anniversary Date up to age 80. Principal protection guarantees are reduced on a proportional basis by any withdrawals you make from Income Class.

To maximize the potential for growth, you can select from more than 35 funds representing leading portfolio management teams that can fit any investor's objectives and preferences.

These include:

- income funds
- balanced funds
- Bundles, and
- portfolio managed solutions.

** Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.*




SunWise Essential Series 2 Income Class provides guaranteed protection

The past decade has been one of the most volatile periods experienced in global markets. It is understandable that you are concerned about balancing the need to protect your retirement savings and still maintain the growth potential of your investments that you will need to carry you through 20 or 30 years of retirement.

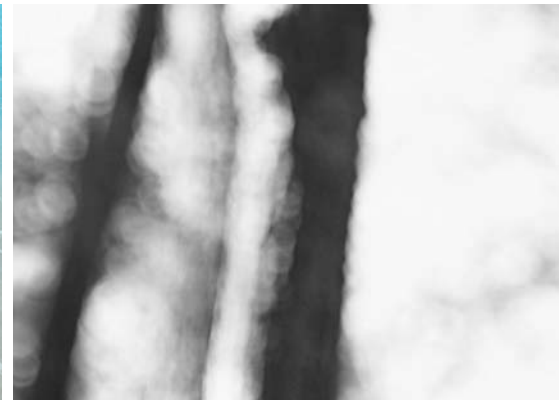
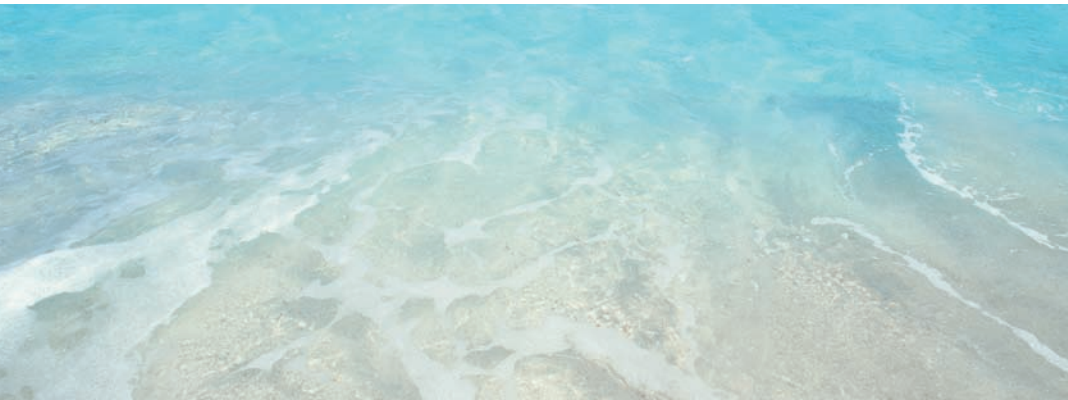
Income Class is designed to mitigate market risk and protect your retirement savings during the critical years before retirement. It provides you with a guaranteed income for life beginning at age 65* and can eliminate the risk of outliving your retirement savings.

Income Class offers a guarantee in the form of regular withdrawals (Guaranteed Life Withdrawal Benefit) of at least 4% of the LWA Base, regardless of the investment performance of the portfolio.



This chart illustrates how the income for life works. If you invest \$200,000 at age 65 and plan to take income immediately, the income for life is calculated as 4% of your deposit. If you make deposits prior to that, your income is calculated on December 31 of the previous year. Your income will vary depending on the age you start receiving income.

In this case, you would be eligible to receive an annual guaranteed income of \$8,000. If your investments perform well, your income may increase because automatic market resets every three years lock in investment gains if the market value of the Income Class units is equal to or exceeds the LWA Base. However, this illustration shows a worst-case scenario. It assumes that markets decline sharply during your retirement. But even under these circumstances, when your investments are reduced to zero, you are guaranteed to receive \$8,000 a year for life.



Income for Life

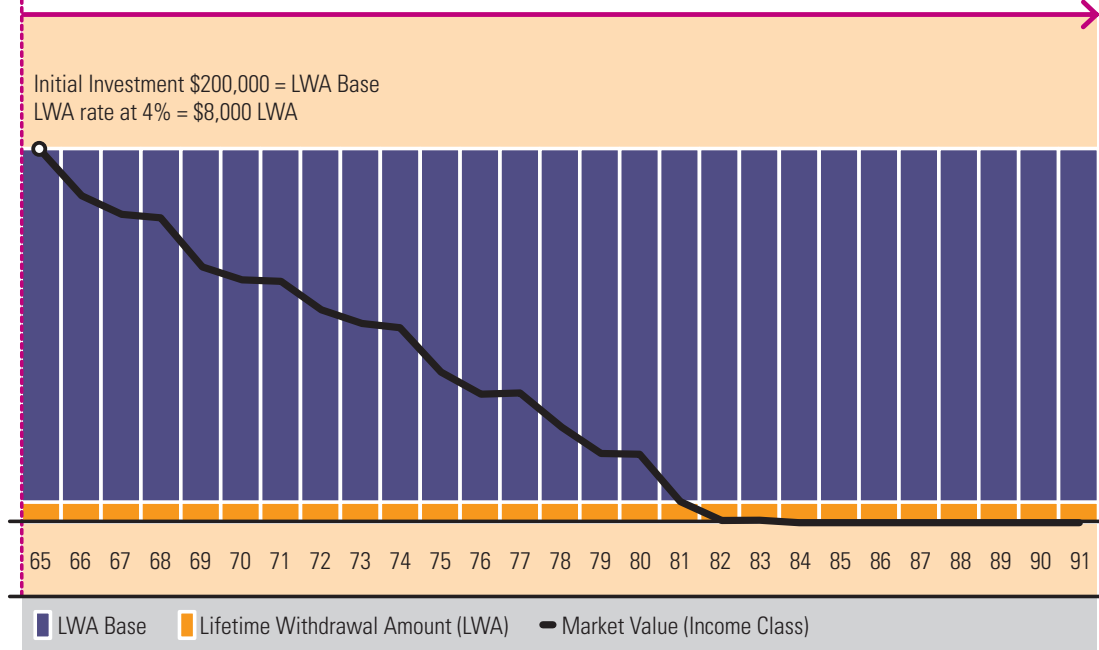


Illustration assumes a 70% equity/30% fixed-income asset mix (Equity is one-third each S&P/TSX Composite Index, S&P 500 Index, and MSCI World Index; income is DEX Universe Bond Total Return) and a bear market declining on average 2% per year. Annual withdrawals are assumed to be 4% of the LWA Base.

*Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.






SunWise Essential Series 2 Income Class provides a 5% Bonus for up to 15 years

Income Class features an annual 5% Bonus to increase guaranteed future income, which offsets the effects of market volatility prior to retirement to help you reach your target retirement goals.

The 5% Bonus will be credited to the LWA Base for every calendar year you do not make withdrawals of Income Class units. It is calculated and credited at the end of each calendar year and is applicable on a prorated basis for the initial year Income Class units are purchased, plus the next 15 full calendar years.[†]



This chart illustrates how the 5% Bonus works, if you invest \$200,000 in Income Class at age 50. This establishes the initial LWA Base at \$200,000. Your retirement is 15 years away and you don't plan to make any withdrawals over that time. So, for the next 15 years, plus the initial year, you are guaranteed to receive an annual 5% Bonus for every year without a withdrawal.

By age 65, your guaranteed income is established for the first time at \$14,000 – which is calculated as 4% of the LWA Base of \$350,000. Your guaranteed income has grown, even though the markets have declined significantly during the period. Income Class ensures the growth of your retirement income in the critical years immediately before retirement.

[†] The 5% Bonus does not impact contractual maturity/death benefits or the market value of Income Class units.



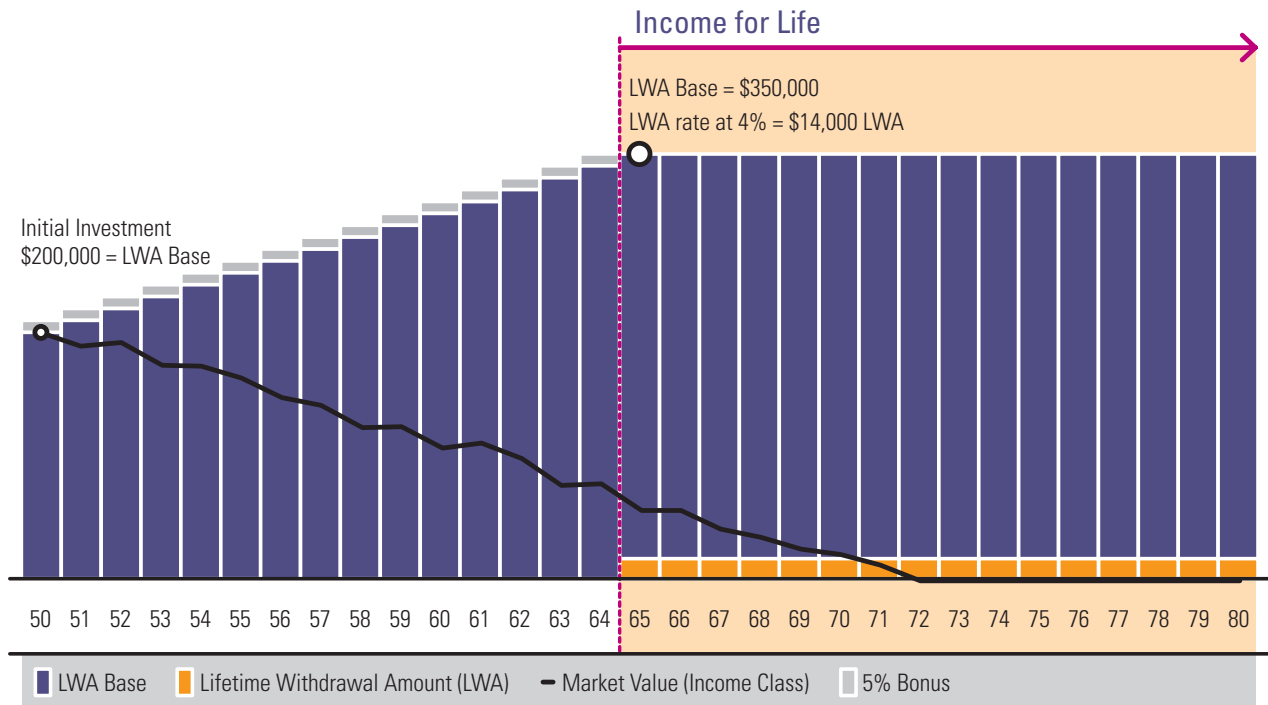



Illustration assumes a 70% equity/30% fixed-income asset mix (Equity is one-third each S&P/TSX Composite Index, S&P 500 Index, and MSCI World Index; income is DEX Universe Bond Total Return) and a bear market declining on average 2% per year. Annual withdrawals are assumed to be 4% of the LWA Base. Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.



SunWise Essential Series 2 Income Class locks in investment gains

Investment gains are automatically locked in through GLWB resets at the end of every third contract anniversary throughout the life of the contract if the market value of the Income Class units is equal to or exceeds the LWA Base. This will increase the guaranteed income for life. During the 15-year bonus period, GLWB resets also increase the value of the bonus because subsequent bonuses are calculated on the higher amount.

GLWB resets received after age 70 increase the LWA Base based on the age-tiered withdrawal amount (restrictions may apply, for details see page 15). There are also automatic death benefit resets which lock in the value of the death benefit guarantee at the same time if the market value of the Income Class units is greater than the Death Benefit Base.



This chart illustrates how GLWB resets work, and assumes an investment of \$200,000 in Income Class at age 50. Automatic GLWB resets are calculated every three years. When the market value of your Income Class units is equal to or higher than the LWA Base, the LWA Base is increased to the market value, which increases the annual payout. In this example, over the next 15 years you would receive several resets, as well as 5% Bonuses which would increase the value of your LWA Base to \$689,105.

Based on this illustration, by the time you retire at age 65, your annual income will rise to \$27,564 because of a combination of 5% Bonuses, strong market performance and automatic GLWB resets.



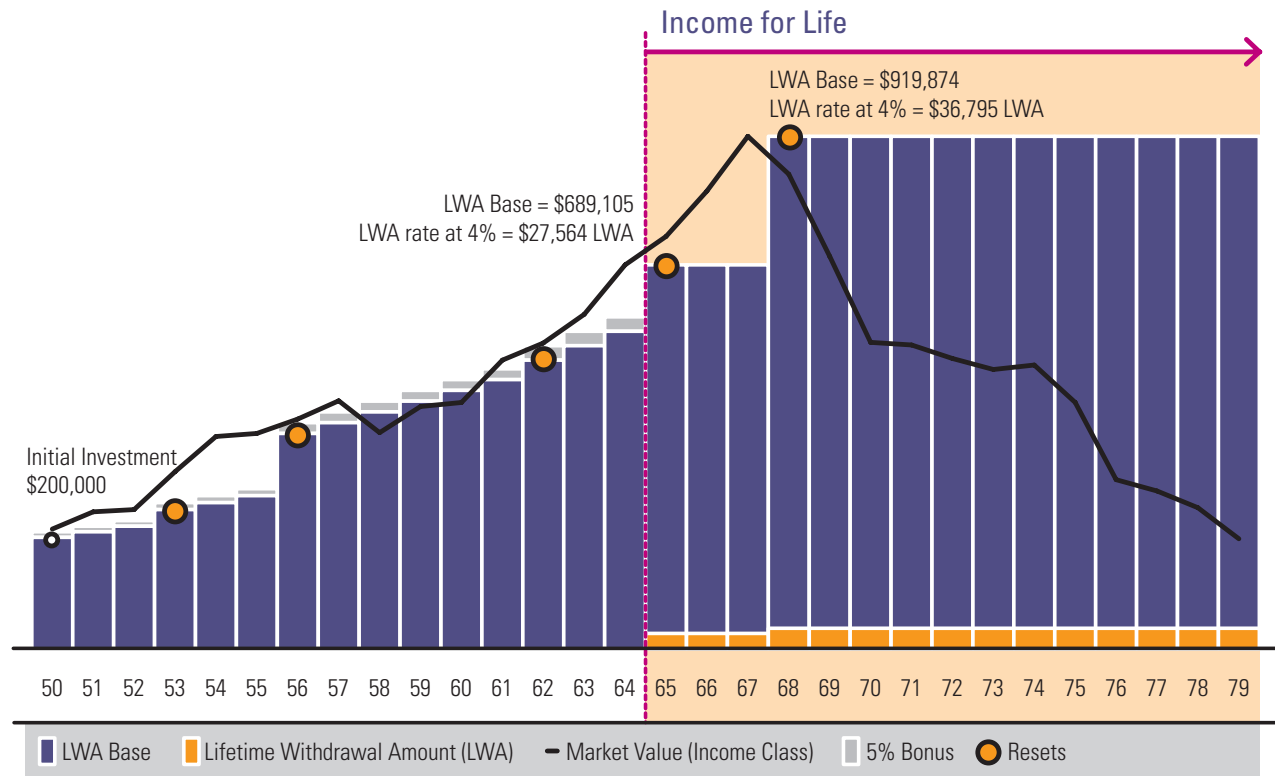


Illustration assumes 70% equity/30% fixed-income asset mix (Equity is one-third each S&P/TSX Composite Index, S&P 500 Index, and MSCI World Index; income is DEX Universe Bond Total Return) based on historical rates of return, gaining on average 6.55% per year. Annual withdrawals are assumed to be 4% of the LWA Base at age 65 and 5.25% at age 71. Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.





SunWise Essential Series 2 Income Class

allows you to customize your income

Two-Life Income Stream

With the two-life option, you can ensure an income for life for yourself and your spouse. This must be selected at time of contract inception and is based on the age of the younger spouse.

This option helps deal with longevity risk. It is for couples planning ahead who want to ensure that the surviving spouse will continue to have a guaranteed income for life at the same amount.

Age 55 LWA Election



If you would like to begin LWA payments before age 65, you may choose the Age 55 LWA Election which entitles you to start LWA withdrawals at Age 55* of 3% for One-Life and 2.5% for Two-Life. If you make the Age 55 LWA Election, deposits before the year in which you (or, if the Two-Life Income Stream applies, the younger of you or your spouse or

common-law partner) turns 65 years of age will be entitled to GLWB Resets but will not be entitled to an increase in the LWA Rate if a GLWB Reset occurs at a time when a higher age tier would apply.

Age-tiered withdrawals

With Income Class, you can increase your income for life by taking it later in life. Instead of starting withdrawals at age 65, you can take income at age 70, or later. If you elect to take the income later in life you receive an enhanced payout with higher benefits. In addition, you can continue to make additional deposits, which will increase your guaranteed income when you decide to take it. Resets received after age 69 also increase the guaranteed income.

The chart shows how you can customize your income for life.



Taking income before age 65 causes an Early Withdrawal and taking additional income above the LWA payment entitlement causes an Excess Withdrawal. When these occur, the LWA Base

(which is used to calculate the income for life and the 5% bonus Base) is reduced proportionately based on the value of the account before the withdrawal. This can affect your future guaranteed income for life.

Age Tier*	LWA Rate for One-Life Income Stream option	LWA Rate for Two-Life Income Stream option
55 to 64	3%	2.5%
65 to 69	4%	3.5%
70 to 74	4.25%	3.75%
75 to 79	4.5%	4%
80 or older	5%	4.5%

** Based on the expected age of Annuitant on December 31 of the year of the LWA Commencement Date. Resets occurring in a higher age tier will result in an increase in the LWA Rate. If the client makes the Age 55 LWA Election, deposits before January 1 of the calendar year in which the Annuitant (or, if the Two-Life Income Stream has been selected, the younger of the Annuitant and the Second Life) turns 65 years of age the client will be entitled to GLWB Resets but will not be entitled to an increase in the LWA Rate if a GLWB Reset occurs at a time when a higher age tier would apply.*





One-Life vs. Two-Life Income Stream options

You must choose the one-life or two-life option at the time of contract inception. This is one of the most important aspects of your investment in Income Class because it has significant implications for your level of income later in life.

For the two-life option, the contract can be based on one or two annuitants. When it's based on two, the second annuitant must be the spouse.

These charts illustrate the differences between the one-life and two-life options.*

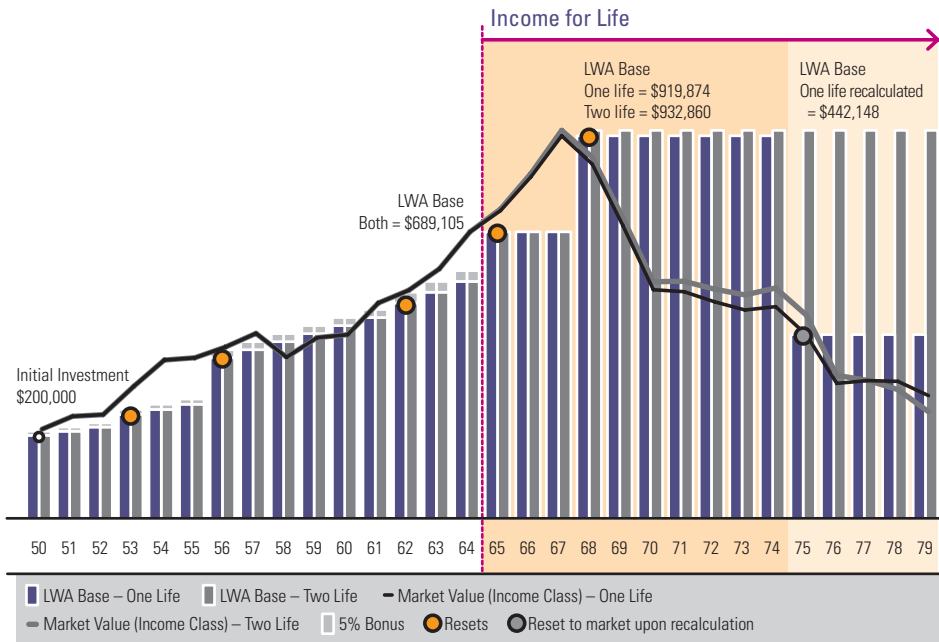
A couple, both age 50, deposit their retirement savings of \$200,000 into Income Class 15 years prior to retirement. During the following 15 years, they receive the annual 5% Bonus, as well as several resets.

- If they had chosen the one-life option, the annual income would be calculated at 4% of the LWA Base, or \$27,564.
- If they had chosen the two-life option, the annual income would be 3.5% of the LWA Base or \$24,119.
- There is a difference of \$3,445 annually between the two options.

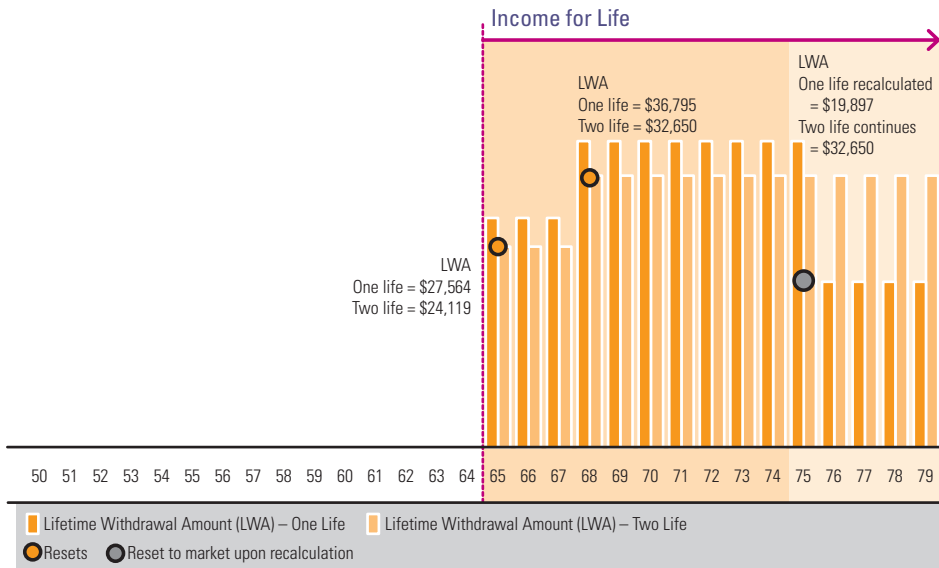
Over the next several years, despite the withdrawals, their investments perform well and they continue to receive resets which raises the annual withdrawal amount to \$36,795 for the one-life option and \$32,650 for the two-life option.

At age 75, the husband dies.

- If they had chosen the one-life option, the guaranteed income for life would be recalculated at market value. The annual payout would then become \$19,897.
- If they had chosen the two-life option, the guaranteed income for life would continue at the same rate of \$32,650 until the death of the wife.
- The difference between the two options becomes \$12,753 annually – a sizeable amount.



* Based on non-registered plans. Illustration assumes 70% equity/30% fixed-income asset mix (Equity is one-third each S&P/TSX Composite Index, S&P 500 Index, and MSCI World Index; income is DEX Universe Bond Total Return) based on historical rates of return, gaining on average 6.55% per year. Annual withdrawals for the one-life option are assumed to be 4% of the LWA Base at age 65. Annual withdrawals for the two-life option are assumed to be 3.5% at age 65. Recalculation on death at age 75 is at market value and assumes a withdrawal rate of 4.5%. Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.





SunWise Essential Series 2 Income Class provides a RRIF for life

SunWise Essential Series 2 Income Class provides flexibility to withdraw more than the age-tiered amount annually throughout retirement to meet the legal and regulatory requirements for RRIFs, **without affecting your future guaranteed income for life.**

- **For RRIF, LIF, LRIF and PRIF contracts** – in any year the LWA RRIF MAP is greater than the LWA, clients will be allowed to withdraw up to the LWA RRIF MAP without triggering an Excess Withdrawal.
- **For LIF or LRIF contracts** – in any year the LWA exceeds the maximum payment permitted by legislation, the withdrawals will be reduced to the maximum permitted. The reduction will be carried forward as a LWA Deferral, which means it is carried forward to subsequent years.

With a RRIF you get unique advantages:

- A minimum guaranteed income throughout retirement even if the market value is reduced to zero.
- In the first year, if no RRIF income is taken, up to a 5% Bonus will increase the guaranteed annual income, giving your retirement income a boost.
- For all deposits made to Income Class in the first calendar year, the 5% Bonus is prorated based on the quarter of the calendar year the initial deposit was made.
- Flexibility to withdraw more than the annual LWA to meet the required RRIF minimum without affecting your future guaranteed income stream and the ability to fund the RRIF MAP – all from one Class or a combination of Classes.*

* If you hold units in your contract in addition to Income Class only a prorated portion of the RRIF MAP can be taken from Income Class units (the LWA RRIF MAP) without adversely affecting your future income stream.

Illustration (on opposite page) assumes 70% equity/30% fixed-income asset mix (Equity is one-third each S&P/TSX Composite Index, S&P 500 Index, and MSCI World Index, income is DEX Universe Bond Total Return) based on historical rates of return over the 1982-2011 period with strong early performance, gaining on average 6.99% per year. Annual withdrawals are assumed to be 3.75% of the LWA Base for two-life at age 71, 4% at age 77 and 4.5% at age 80. For one-life the LWA rate is 4% at age 65. Subject to legislated minimums and maximums and certain conditions. Exceeding the LWA withdrawal rate will have a negative impact on future payments. For One-Life Income Stream, a guaranteed income for life or Guaranteed Life Withdrawal Benefit (GLWB) of 4% (LWA Rate) is available at January 1 of the year the Annuitant turns 65 or 3% (LWA Rate) at January 1 of the year the Annuitant turns 55. For Two-Life Income Stream, a GLWB of 3.5% (LWA Rate) is available at January 1 of the year the younger spouse turns 65 or 2.5% (LWA Rate) at January 1 of the year the younger spouse turns 55. Payments can continue until the death of the Annuitant (or the Annuitant and Second Life for Two-Life Income Stream) or termination of the contract.

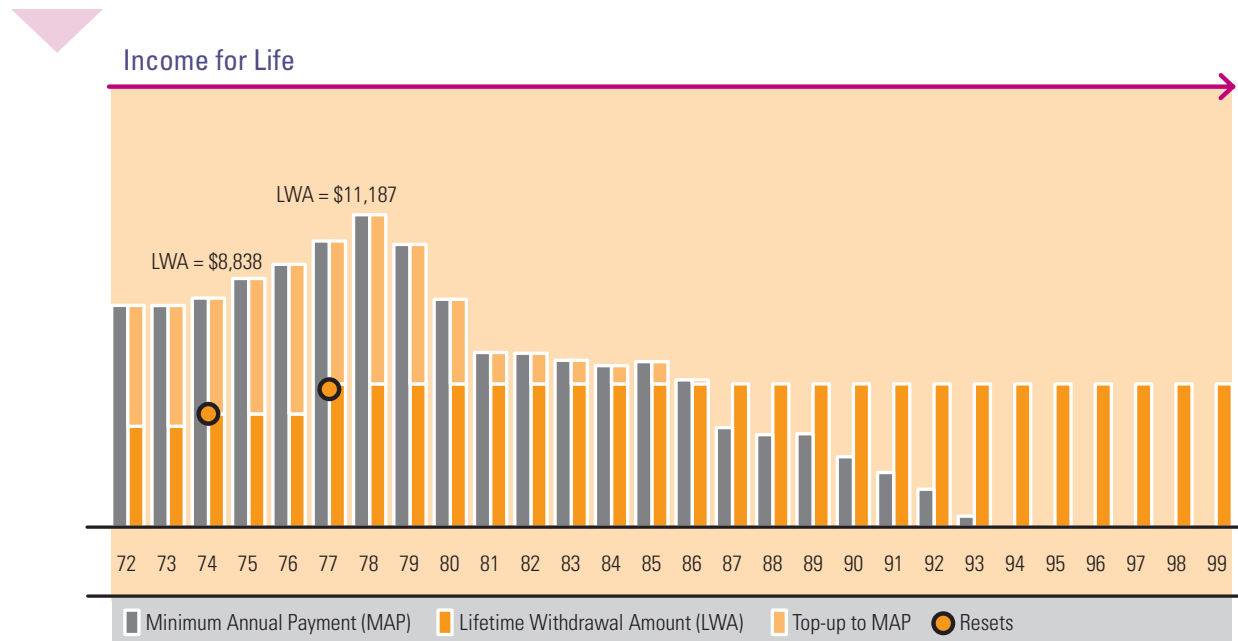
This chart illustrates the guaranteed income for life with the two-life option. A couple deposit \$200,000 in Income Class just prior to the age of 71. At age 72, the husband begins to take his RRIF withdrawals. Because Income Class will always pay the higher of the guaranteed income or LWA RRIF MAP, he receives an annual payment of MAP – \$17,320, or \$9,445 higher than his guaranteed income of \$7,875.

Their investments perform well and this continues for several years. Because of resets the LWA has increased to \$11,187. Unfortunately, at age 79 he dies. The guaranteed income for life is transferred to the wife and Income Class continues to pay the same annual income with top-ups to LWA RRIF MAP, if applicable.

If they had chosen the one-life option, the wife’s guaranteed income would be recalculated and her annual income would decline from \$11,187 to \$9,375.

The two-life option has several benefits, including:

- the certainty of the guaranteed income payment amount, as the recalculated LWA payment could be significantly lower should market conditions be unfavourable at time of death
- a potentially higher guaranteed income for life because the guaranteed income for life is not recalculated after the death of her husband.





SunWise Essential Series 2 Investment Class

Investment Class provides investment growth potential with added protection.

SunWise Essential Series 2 Investment Class is for investors primarily during the wealth accumulation stage prior to age 50, who are looking for growth of their investments with protection.

It allows them to benefit from many of the advantages of investment funds:

- potential for growth
- outstanding money management
- diversification, choice and flexibility of investments.

And, receive all the protective features of an insurance contract backed by the strength of Sun Life Financial:

- estate planning benefits – Investment Class can be structured with a proper beneficiary designation to avoid probate and passing any proceeds through your estate at the time of your death
- principal protection of 75% at contract maturity at age 100 and 75% at death, helping to protect your investments (withdrawals proportionately reduce the value of the principal protection guarantees), and
- potential creditor protection if the proper beneficiary designation is in place.

To maximize the potential for growth and build a portfolio with some of the best managers in Canada, you can select from more than 60 funds representing leading portfolio management teams that can fit any investor's objectives and preferences.

This includes:

- income funds
- balanced funds
- equity funds (Canada, U.S. and global)
- Bundles, and
- portfolio managed solutions.





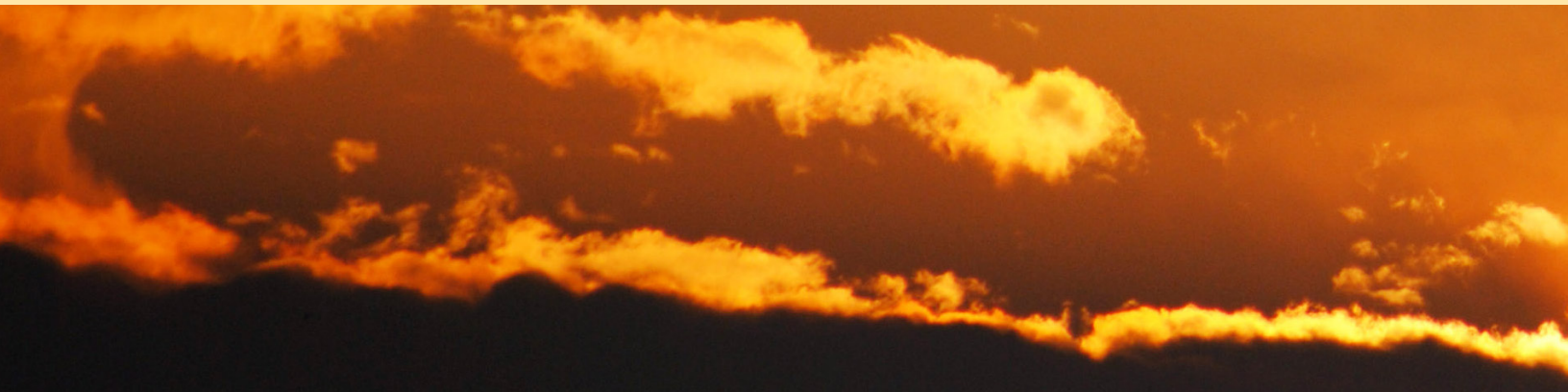


SunWise Essential Series 2 can protect the value of your investments for your beneficiaries.



SunWise Essential Series 2 Estate Class

Estate Class is all about putting safety first in protecting the value of your investment for your loved ones.



SunWise Essential Series 2 Estate Class provides principal guarantees to protect your investments. It offers 100% at death (subject to an initial reduction for deposits after age 75) and 75% at contract maturity, at age 100. Automatic resets every three years on the Contract Anniversary Date, up to age 80, can increase the value of the death benefit guarantee.

Estate Class allows you to protect the value of your estate for your heirs, while minimizing estate settlement costs and delays.

Similar to Investment Class, the other benefits of Estate Class also include:

- potential for growth
- outstanding money management
- diversification, choice and flexibility of investments
- potential creditor protection if the proper beneficiary designation is in place.

Principal protection guarantees are reduced on a proportional basis by any withdrawals made from your policy. (See the Information Folder and Contract including any Supplements for details.)

To maximize the potential for growth, you can select from more than 40 funds representing leading portfolio management teams that can fit any investor's objectives and preferences.

These include:

- income funds
- balanced funds
- Bundles, and
- portfolio managed solutions.

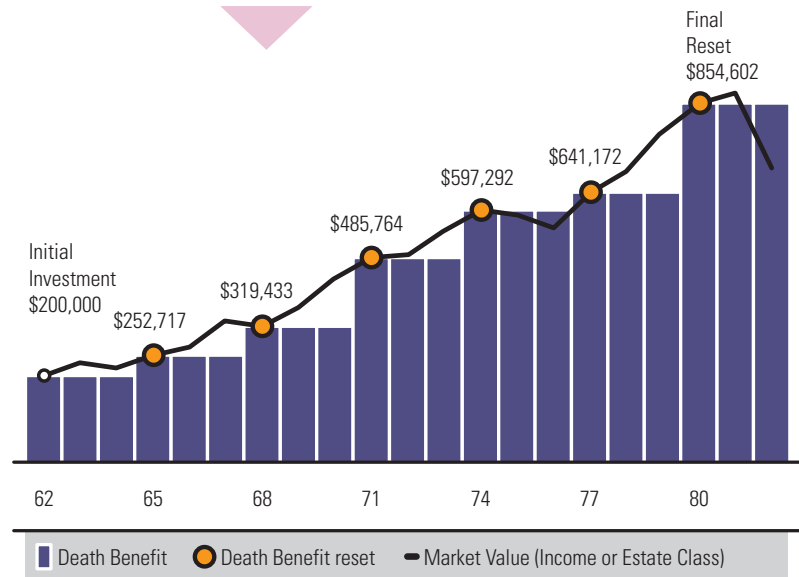
SunWise Essential Series 2 Death Benefit Resets

Estate Class and Income Class both have a death benefit of 100%. Similar to the three-year guaranteed income resets, the death benefit also comes with an automatic reset on the Contract Anniversary Date every three years and a final reset in the year the annuitant turns age 80. If the market value of the Estate Class units or Income Class units is higher than the Death Benefit Base, it will be reset to the market value. After the Death Benefit Base is reset, any Late Deposit Reduction that was in effect prior to the reset will continue to apply to a proportionate amount of the Death Benefit Base after the reset. The Death Benefit Base is affected by additional deposits and any withdrawals.

A Late Deposit Reduction is when the Death Benefit Base for Estate Class or Income Class is to be increased on a valuation date after the annuitant turns 75, by reason of a deposit or a reclassification of units from Investment Class to that Class, that the amount added to the Death Benefit Base will be 80% of the amount that otherwise would be added for the first three years following such valuation date, following which three-year period 100% of the amount will be included in the Death Benefit Base.

The chart below shows how the Death Benefit Base is reset.

The Death Benefit resets every three years, with the final reset on the annuitant's 80th birthday.



First-class investments

SunWise Essential Series 2 offers different investment strategies for each class. This gives you the flexibility to tailor a portfolio to meet your individual needs. You can choose from a select group of funds, managed by leading portfolio managers that are

diversified by asset class, geographic region and economic sector, and different portfolio management styles. In addition, Portfolio Series managed solutions and SunWise Essential Bundles are also available.



Managed Solutions

SunWise
EssentialBundles

CI PRIVATE INVESTMENT
MANAGEMENT

Portfolio Series™

Sun Life  GLOBAL
Investments

Terminology

5% Bonus is the amount equal to 5% of the 5% Bonus Base as of December 31. It is allotted on a prorated basis for the first year Income Class units are purchased, plus the next 15 full calendar years, when there are no withdrawals of Income Class units. 5% Bonuses increase the LWA Base used for calculating guaranteed income but do not impact contractual maturity/death benefits, or the market value of the Income Class units.

5% Bonus Base is the amount used to calculate the 5% Bonus at the end of each bonus year. It equals the first deposit to Income Class units and may be adjusted by LWA Base Additions, GLWB resets, Early Withdrawals and Excess Withdrawals.

Age 55 LWA Election means the election you must make if you would like to start receiving LWA payments on or after January 1 of the calendar year in which the Annuitant (or, if the Two-Life Income Stream has been selected, the younger of the Annuitant and the Second Life) turns 55 years of age but before January 1 of the calendar year in which that same person turns 65 years of age. If you have not made a withdrawal you may cancel this election at any time by notifying us. If no withdrawals have been made before January 1 of the calendar year in which the Annuitant (or, the Two-Life Income Stream has been selected, the younger of the Annuitant and the Second Life) turns 65 years of age, your election will not apply.

Contract Anniversary Date is the anniversary of the Contract Date (initial deposit).

Death Benefit is the sum of the Class Death Benefits for each Class of units allocated to the Contract on the Death Benefit Date. Each Class Death Benefit will be the greater of the market value of the units and the applicable percentage of the Death Benefit Base. The Death Benefit can potentially increase with resets that occur every three years on the Contract Anniversary Date, up to the year the Annuitant turns age 80. Any withdrawals will reduce the Death Benefit on a proportionate basis.

Early Withdrawal is any redemption of Income Class units before the LWA Eligibility Date.

Excess Withdrawal is the amount by which the Income Class units redeemed during the year exceeds the LWA (or the LWA RRIF MAP if greater), and any LWA Deferrals available for such year.

Guaranteed Lifetime Withdrawal Benefit (GLWB) provides a pre-determined amount (the LWA) available for withdrawal from Income Class units each calendar year. The LWA is calculated as a percentage of the LWA Base. There are two Income Stream options and one must be selected at the time Income Class units are first allocated to the contract.

I One-Life Income Stream means that the LWA will be available each year commencing on the LWA Commencement Date and ending on the earlier of the death of the Annuitant and the date on which the contract is terminated. If the One-Life Income Stream is selected for a Joint Annuitant contract, clients must designate which Joint Annuitant will be used for determining the entitlements under the GLWB. The GLWB will end on the death of such Annuitant even if the Joint Annuitant is surviving. If there are any Income Class units remaining, a new LWA entitlement will be recalculated based upon the age of the surviving Annuitant and the value of the remaining Income Class units. The Death Benefit Date will not occur until the death of the surviving Annuitant. The Contract Maturity Date will continue to be calculated based on the life of the younger Joint Annuitant.

I Two-Life Income Stream means that the LWA will be available each year commencing on the LWA Commencement Date and ending on the earlier of the death of the Annuitant or the Second Life (whichever occurs later), and the date on which the contract is terminated. The Second Life must be the spouse or common-law partner of the Annuitant.

GLWB Reset means an upward adjustment, if applicable, to the LWA Base, the 5% Bonus Base and the LWA, determined every third Contract Anniversary Date.

Guaranteed Payment Phase is the period following the LWA Commencement Date when the value of the Income Class units is nil and the LWA Base is positive.

Income Class Value is the market value of your Income Class units.

Late Deposit Reduction occurs when the Death Benefit Base for Estate Class or Income Class is increased on a valuation date after the annuitant's 75th birthday by reason of a deposit or a reclassification of units from Investment Class, and the effect is that the amount added to the Death Benefit Base will be 80% of the deposit or reclassification for the first three years following such valuation date. Following completion of the three-year period and provided the Annuitant did not die in the three-year period, 100% of the deposit or reclassification will be included in the Death Benefit Base.

Lifetime Withdrawal Amount (LWA) is calculated as a percentage of the LWA Base on the LWA Commencement Date. The LWA Rate varies based on the expected age of the Annuitant on December 31 of the calendar year in which the LWA Commencement Date occurs. With the Two-Life Income Stream, the LWA Rate is based on the expected age of the younger of the Annuitant and the Second Life. The LWA may increase with LWA Base Additions or resets in a higher age tier. (See page 16 for age-tier chart.)

LWA Base is the first deposit allocated to Income Class units, subsequently adjusted by LWA Base Additions, GLWB Resets, 5% Bonuses, Early Withdrawals and Excess Withdrawals.

LWA Base Additions are subsequent deposits allocated to Income Class units or a reclassification of Investment Class units or Estate Class units to Income Class units.

LWA Base Fee is paid quarterly based on the value of the LWA Base at the end of each quarter and the level of risk of the funds invested over the quarter.

LWA Commencement Date is the first date on or after the LWA Eligibility Date on which clients redeem Income Class Units (other than to pay Contract-level fees) or reclassify Income Class units to a different class.

LWA Deferral is an election not to receive some or all of the LWA in any year. Existing LWA Deferrals can be withdrawn but additional LWA Deferrals are not permitted during the Guaranteed Payment Phase or after the contract maturity date. LWA Deferrals cannot exceed 15% of the LWA Base. LWA Deferrals are reset to zero whenever there is a GLWB reset. LWA Deferrals terminate on the Death Benefit Date and are not added to the Death Benefit.

LWA Eligibility Date means January 1 of the calendar year in which the Annuitant (or, if the Two-Life Income Stream has been selected, the younger of the Annuitant and the Second Life) turns 65 years of age or 55 years of age, if you make the Age 55 LWA Election.

LWA RRIF MAP applies if the Contract is a RRIF, LIF, LRIF, PRIF or RLIF. It is the portion of your contract level Minimum Annual Payment (MAP) that applies to the Income Class units only, based on the market value of Income Class units as a proportion of the total market value of the Contract.

I For RRIF, LIF, LRIF and PRIF contracts – in any year the LWA RRIF MAP is greater than the LWA, clients will be allowed to withdraw up to the LWA RRIF MAP without triggering an Excess Withdrawal.

I For LIF or LRIF contracts – in any year the LWA exceeds the maximum payment permitted by legislation, the withdrawals will be reduced to the maximum permitted. The reduction will be carried forward as a LWA Deferral, which means it is carried forward to subsequent years.

The importance of professional advice

How much safety do you need? It's hard to say. That's why SunWise Essential Series 2 is distributed only through licensed advisors. We believe you benefit from the expert advice of a financial professional. Your advisor can help you develop a savings and investment plan that's appropriate for you, and show you how SunWise Essential Series 2 can help you to meet your goals.



SunWise Essential Series 2 is brought to you by two industry leaders

SunWise Essential Series 2 contracts are issued by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies, a leading international financial services organization providing a diverse range of protection and wealth accumulation products and services to individuals and corporate customers. As of June 30, 2014, the Sun Life Financial group of companies had total assets under management of \$684 billion.

SunWise Essential Series 2 is managed by CI Investments Inc., one of Canada's largest investment management companies. It offers a broad range of investment products and services, including an industry-leading selection of investment funds, and is on the Web at www.ci.com. CI is a subsidiary of CI Financial Corp. (TSX: CIX), an independent, Canadian-owned wealth management firm with approximately \$130 billion in assets as of September 30, 2014.

For more information about the innovative features
and benefits of SunWise Essential Series 2,
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Please refer to **SunWise Essential Series 2 Information Folder and Contract including any Supplements for full details.**

All charts and illustrations in this guide are for illustrative purposes only. They are not intended to predict or project investment results. To the extent of any inconsistencies between this guide and the SunWise Essential Series 2 Information Folder and Individual Variable Annuity Contract including any Supplements, the terms of the Information Folder and Contract and Supplements prevail. For full product details and disclosure, refer to the Information Folder and Contract and Supplements.

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