

**SPECIAL MEETING OF INVESTORS OF**

**Sun Life Sentry Conservative Balanced Fund  
(the “Terminating Fund”)**

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**to be held on  
October 6, 2017 commencing at 10:30 a.m. (Toronto time)  
at the offices of Borden Ladner Gervais LLP  
22 Adelaide Street West, Suite 3400  
Toronto, Ontario**

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## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

The information contained in this Information Circular is provided by the board of directors of Sun Life Global Investments (Canada) Inc. in its capacity as manager of the Terminating Fund (the “**Manager**”), **in connection with the solicitation of proxies on behalf of management of the Manager** to be used at the special meeting of the investors of the Terminating Fund.

The special meeting is to be held at the offices of **Borden Ladner Gervais LLP, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, on October 6, 2017 at 10:30 a.m. (Toronto time)** (the “**Meeting**”) for the purposes outlined in the Notice of Meeting. The Manager anticipates that the solicitation of proxies will principally be done by mail. The cost of the solicitation will be borne by the Manager.

Quorum for the Meeting will be two securityholders, represented in person or by proxy. If the Meeting is adjourned, the adjourned Meeting will be held at the offices of **Borden Ladner Gervais LLP, 22 Adelaide Street West, Suite 3400, Toronto, Ontario, on October 10, 2017 at 10:30 a.m. (Toronto time)**. Quorum for an adjourned Meeting will be the number of securityholders present, in person or by proxy, at the adjourned Meeting.

### PURPOSE OF THE MEETING

The Meeting is being called to consider the following special business:

1. the merger of Sun Life Sentry Conservative Balanced Fund into Sun Life Granite Income Portfolio, and the matters related thereto described in the resolution attached to this Information Circular; and
2. to transact such other business as may properly come before the Meeting.

The text of the resolution is set out in Schedule “A” to this Information Circular.

Sun Life Sentry Conservative Balanced Fund is referred to as the “**Terminating Fund**” and Sun Life Granite Income Portfolio is referred to as the “**Continuing Fund**”. Together the Terminating Fund and Continuing Fund are collectively referred to as the “**Funds**”.

### THE MERGERS

The Manager has reviewed its mutual fund line-up and has concluded that it would be desirable to merge the Terminating Fund into the Continuing Fund. It is proposed that the Terminating Fund will merge into the Continuing Fund with the result that securityholders of the Terminating Fund will become securityholders of the Continuing Fund.

In addition to the security approvals described herein, the merger is subject to regulatory approval.

The merger, if approved, will be take place at the close of business on or about October 27, 2017 (the “**merger date**”). If the merger is not approved, the Manager expects that the Terminating Fund will be terminated.

**The merger will take place on a taxable basis. Therefore, unless you hold your securities in a Registered Plan, you will realize a capital gain or loss on the redemption of your securities of the**

**Terminating Fund when they are exchanged for securities of the Continuing Fund. The tax consequences of the merger are summarized in more detail below in the section on “Canadian Federal Income Tax Considerations”.**

The historical rates of return for the Terminating Fund and Continuing Fund are available in the management report of fund performance for the applicable Fund.

No sales charges, redemption fees or other fees or commissions will be payable by securityholders of the Terminating Fund in connection with the merger. All costs and expenses associated with the merger will be borne by the Manager.

### **BENEFITS OF THE MERGER**

The Manager believes the merger will be beneficial to the securityholders of the Terminating Fund for the following reasons:

- The Continuing Fund provides its securityholders with a higher stream of yield than the Terminating Fund, while protecting from capital erosion;
- The Continuing Fund has greater flexibility than the Terminating Fund to shift between fixed income and equity, which may allow the Continuing Fund to better protect securityholders in times of volatility;
- The Continuing Fund has a portfolio of greater value, allowing for increased portfolio diversification opportunities compared to the Terminating Fund;
- The Continuing Fund, as a result of its greater size, benefits from a larger profile in the marketplace by potentially attracting more investors and enabling it to maintain a “critical mass”;
- Investors of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is the same as, or lower than, that charged in respect of the series of securities of the Terminating Fund that they currently hold.

The Manager recommends that securityholders of the Fund vote FOR the merger.

The Independent Review Committee of the Fund has reviewed the proposed merger and determined that the proposed merger, if implemented, would achieve a fair and reasonable result for the Fund.

### **PROCEDURE FOR THE MERGER**

The merger will be structured as follows:

- the Terminating Fund will liquidate 100% of the securities in its portfolio before the merger. As result, the Terminating Fund realize all of its accrued capital gains and capital losses, will temporarily hold cash and cash equivalent and will not be fully invested in accordance with its investment objectives for a brief period of time before the merger date;
- the value of the Terminating Fund’s portfolio and other assets will be determined at the close of business on the merger date in accordance with the declaration of trust of the Terminating Fund;

- the Continuing Fund will acquire the assets of the Terminating Fund in exchange for securities of the Continuing Fund;
- the Continuing Fund will not assume liabilities of the Terminating Fund and the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the merger date;
- the securities of the Continuing Fund received by the Terminating Fund will have a total net asset value equal to the value of the assets acquired by the Continuing Fund from the Terminating Fund, and the securities of the Continuing Fund will be issued at the applicable series net asset value per security as of the close of business on the merger date;
- the Terminating Fund will distribute to its securityholders a sufficient amount of its net income and net realized capital gains, if any, so that the Fund will not be subject to tax under Part I of the *Income Tax Act* (Canada) (“**Tax Act**”) for its taxation year that includes the merger date;
- immediately thereafter, the securities of the Terminating Fund will be redeemed by the Terminating Fund in exchange for the securities of the Continuing Fund held by the Terminating Fund on a dollar-for-dollar and series-by-series basis; and
- as soon as reasonably possible following the merger, the Terminating Fund will be wound up.

#### **SUSPENDING REDEMPTIONS AND PURCHASES OF SECURITIES OF THE TERMINATING FUND**

If the proposed merger is approved, the right to redeem or switch securities of the Terminating Fund will end as of the close of business on the business day immediately before the merger date.

After the merger date, the former securityholders of the Terminating Fund will be able to redeem or switch the securities of the Continuing Fund that they received on the merger date.

Effective October 6, 2017, securities of the Terminating Fund will no longer be available for purchase, other than purchases made under pre-authorized purchase plans existing before October 6, 2017, which plans will be suspended at the close of business on or about October 26, 2017 and will be re-established to purchase the same series of the Continuing Fund following the merger date. If the proposed merger is not approved, all purchases of securities of the Terminating Fund, including purchases made under pre-authorized purchase plans, will cease effective the close of business on October 6, 2017.

#### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

This is a general summary of the Canadian federal income tax considerations relevant to a Canadian resident individual who holds securities of the Terminating Fund directly as capital property or in a Registered Plan. It is not intended to be legal advice and it is not exhaustive of all possible tax considerations. Securityholders are advised to consult their own tax advisors about their specific circumstances.

#### **Redemptions before the Merger**

If you redeem securities of the Terminating Fund before the merger date, you will realize a capital gain (or capital loss) to the extent that your proceeds of redemption exceed (or are exceeded by) the total of your adjusted cost base of the securities and any costs of redemption. Unless you hold your securities in a registered retirement savings plan, registered retirement income fund, tax-free savings account, registered

education savings plan, registered disability savings plan or deferred profit sharing plan (collectively, “**Registered Plans**”), one-half of any such capital gain must be included in computing your income and one-half of any such capital loss may be deducted against taxable capital gains, subject to, and in accordance with, the detailed provisions of the Tax Act.

### **Tax Consequences of the Merger**

The Terminating Fund will dispose of all of its investments before the merger date and will realize any accrued gains and losses on its investments. The Terminating Fund is expected to realize a net capital gain.

Immediately after the transfer of assets to the Continuing Fund on the merger date, the Terminating Fund will distribute to its securityholders a sufficient amount of its net income and net capital gains to ensure that the Terminating Fund will not be subject to tax under Part I of the Tax Act for the taxation year in which the merger occurs. Unless securities are held in a Registered Plan, you will receive a statement for tax purposes identifying your share of the Terminating Fund’s income and capital gains, if any, for the 2017 taxation year and the taxable portion of such amounts must be included in your income.

The cost to the Terminating Fund of the securities of the Continuing Fund received on the merger date will be equal to the fair market value of the Terminating Fund’s assets transferred to the Continuing Fund. The transfer of securities of the Continuing Fund by the Terminating Fund to securityholders of the Terminating Fund should not result in a capital gain or loss to the Terminating Fund, provided that the transfer occurs on the merger date.

The securityholders of the Terminating Fund will dispose of their securities of the Terminating Fund on the redemption of those securities in exchange for securities of the Continuing Fund. Their proceeds of disposition will be equal to the fair market value of the securities of the Continuing Fund received. As a result of the disposition, securityholders will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of the securityholder’s securities of the Terminating Fund and any reasonable costs of disposition. Unless a securityholder holds their securities in a Registered Plan, one-half of any such capital gain must be included in computing a securityholder’s income and one-half of any such capital loss may be deducted against taxable capital gains subject to, and in accordance with, the detailed provisions of the Tax Act. A securityholder of the Terminating Fund will acquire the securities of the Continuing Fund received on the merger at a cost equal to the fair market value of such securities at the time of the merger. In determining the adjusted cost base of the securities of the Continuing Fund, the cost of the new securities of the Continuing Fund must be averaged with the adjusted cost base of any other identical securities of the Continuing Fund already held by the securityholder.

### **General**

Please refer to the simplified prospectus relating to the Continuing Fund, which is available from the Manager at no charge upon request, for a description of the income tax consequences of acquiring, holding and disposing of securities of the Continuing Fund.

### **ELIGIBILITY FOR REGISTERED PLANS**

The Terminating Fund and the Continuing Fund are each a mutual fund trust under the Tax Act. Therefore, the securities of the Funds are a qualified investment under the Tax Act for Registered Plans.

Securities of a Fund may be a prohibited investment under the Tax Act for the Registered Plan of a securityholder even though the securities are a qualified investment under the Tax Act. A securityholder is generally subject to severe taxes when the Registered Plan of the investor acquires and holds a prohibited investment. **Securityholders should consult their own tax advisor for advice on whether or not securities of the Continuing Fund would be prohibited investments for their Registered Plans.**

### **REQUIRED APPROVALS**

**The merger of the Terminating Fund into the Continuing Fund will not take place unless approved by a majority of the votes (*i.e.*, more than 50%) of the outstanding securities of the Terminating Fund cast at the Meeting.**

The merger of the Terminating Fund into the Continuing Fund is also subject to receipt of regulatory approval.

Securityholders of the Terminating Fund are entitled to one vote for each whole security held and are not entitled to vote fractional securities. Holders of securities of record of the Terminating Fund at the close of business on August 25, 2017 will be entitled to vote at the Meeting, except to the extent that such securities are redeemed before the Meeting or that a transferee of securities after that date complies with the required procedures in order to qualify to vote the transferred securities. If your securities were transferred to you from another holder after August 25, 2017 (this would occur only in unusual circumstances, such as death of a holder), you should contact the Manager to determine the documentation necessary to transfer the securities on the Manager's records. You will only be able to vote the transferred securities after the transfer has been recorded on the Manager's records.

Quorum for the Meeting will be two securityholders, represented in person or by proxy. In order for the Meeting to be duly constituted, the required quorum must be present at the Meeting.

### **ADDITIONAL INFORMATION**

Additional information regarding the Terminating Fund and the Continuing Fund is contained in the simplified prospectus, annual information form, the most recently filed Fund Facts, interim and annual management reports of fund performance and interim unaudited and annual audited financial statements for the Funds. Copies of the Fund Facts documents relating to the Continuing Fund are being mailed to securityholders of the Terminating Fund. Securityholders should review the Fund Facts carefully.

You may obtain a copy of the simplified prospectus, annual information form, Fund Facts, the most recent interim and annual financial statements and the most recent interim and annual management reports of fund performance by accessing the SEDAR website at [www.sedar.com](http://www.sedar.com). You may also obtain these documents by accessing the Manager's website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com), by calling the toll-free telephone number at 1-877-344-1434 or by emailing a request to [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com).

## **MERGER OF SUN LIFE SENTRY CONSERVATIVE BALANCED FUND INTO SUN LIFE GRANITE INCOME PORTFOLIO**

### **General**

The Manager is seeking approval from securityholders of Sun Life Sentry Conservative Balanced Fund (the Terminating Fund) for the merger into Sun Life Granite Income Portfolio (the Continuing Fund). If approved, this merger will take place at the close of business on or about October 27, 2017. Following the merger, the Terminating Fund will be wound up. This proposed merger is also subject to regulatory

approval. If the merger is not approved, the Manager hereby provides notice that it will terminate the Terminating Fund effective on or about October 30, 2017.

As discussed above under “Benefits of the Proposed Changes” on page 4, there are a number of benefits to securityholders of the Terminating Fund and the Continuing Fund, including that securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is the same as, or lower than, that charged in respect of their securities of the Terminating Fund, the Continuing Fund provides securityholders with a higher stream of yield while protecting from capital erosions, the Continuing Fund will be larger following the merger, potentially allowing it to operate more efficiently than the Terminating Fund, and the Continuing Fund allows for greater portfolio diversification.

By approving this merger, securityholders of the Terminating Fund also accept the investment objectives of the Continuing Fund and the tax consequences of the merger, including that before the merger, the Terminating Fund will liquidate 100% of its portfolio and will realize all capital gains or losses in the portfolio, which will then be distributed to securityholders of the Terminating Fund. See “Canadian Federal Income Tax Considerations” on page 8 for further details regarding the tax consequences of the merger for Canadian resident individuals.

#### **Recommendation**

The Manager recommends that securityholders of the Terminating Fund vote FOR the merger.

#### **Investment Objectives and Strategies**

The investment objectives and investment strategies of the Funds are as follows:

<b>Fund:</b>	<b>Sun Life Sentry Conservative Balanced Fund</b>	<b>Sun Life Granite Income Portfolio</b>
<b>Investment Objective:</b>	The Fund’s investment objective is to seek to provide stable income and long-term capital appreciation, primarily by investing directly in a conservative diversified portfolio of Canadian fixed-income and income-oriented equity securities or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.	The Fund’s investment objective it to seek to generate a consistent level of income by investing primarily in a mix of income-focused fixed income and equity mutual funds (including exchange-traded funds).
<b>Investment Strategies:</b>	The sub-advisor seeks to take a flexible approach to investing primarily in fixed income and income-oriented equity securities, generally in the range of 40 – 60% each. From an equity perspective, it analyzes balance sheet strength, free cash flow, profitability, quality of management and capital allocation. From a fixed income perspective, the sub-advisor conducts top-down macroeconomic analysis, and bottom-up credit research with the aim to	The sub-advisor seeks to generate a consistent level of income in the Fund’s portfolio through strategic asset allocation, selection of underlying funds and tactical management. It invests primarily in income generating mutual funds that focus on dividend paying equities, REITs, high yield debt, investment grade corporate debt, government debt and emerging market



Fund:	Sun Life Sentry Conservative Balanced Fund	Sun Life Granite Income Portfolio
	<p>maintain an average credit rating of “A” or better. It may invest up to 49% of the underlying fund’s assets in foreign fixed-income and equity securities. In addition, the sub-advisor may invest up to 10% of the Fund’s net asset value in the following types of exchange-traded funds: (i) inverse or leveraged ETFs; (ii) those that seek to provide daily results that replicate the daily performance of their underlying index; (iii) gold ETFs; (iv) silver ETFs; (v) leveraged gold ETFs; (vi) leveraged silver ETFs; and (vii) underlying ETFs. It may hold assets in cash, money market instruments, bonds or debt securities. The sub-advisor may invest in private placements or other illiquid equity or debt securities, it may use derivatives for hedging and non-hedging purposes, may engage in short selling, and may enter into securities lending, repurchase and reverse repurchase transactions. Finally, the portfolio turnover rate may exceed 70%. Further, it may invest in securities of the underlying ETFs, subject to conditions, including that: (i) it must not invest more than 10% of the Fund’s net asset value in securities of underlying ETFs; (ii) no more than 20% of the Fund’s net asset value would consist of securities sold short; (iii) it must not invest more than 10% of the Fund’s net asset value in gold and silver products; and (iv) the Fund’s market value exposure to gold and silver may not exceed 10% of its net asset value. Finally, the sub-advisor may invest up to 10% of the Fund’s assets in securities of other mutual funds.</p>	<p>debt. The sub-advisor selects securities in or that give exposure to both domestic and global markets. In addition, it uses an asset allocation strategy to determine the weighting within the Fund’s portfolio of fixed income investments versus equity investments. It may invest up to 90% of the Fund’s assets in either fixed income mutual funds (including money market funds) or equity mutual funds, and may invest up to 100% in underlying mutual funds. Typically, the sub-advisor selects equity mutual funds with exposure to Canadian and global dividend income, as well as fixed income mutual funds with exposure to Canadian and global debt instruments. It may adjust the asset allocation strategy, monitor and rebalances the Fund’s assets and may change the asset allocation in order to meet the investment objective. The sub-advisor may hold assets in cash, money market instruments, bonds or other debt securities. Its portfolio turnover rate may exceed 70%. The sub-advisor may use derivatives for hedging and non-hedging purposes, and may enter into securities lending, repurchase and reverse repurchase transactions.</p>

As the investment objectives of the Terminating Fund specify that it seeks to provide long-term capital appreciation and invest directly in a conservative diversified portfolio of Canadian fixed-income and income-oriented securities or indirectly by investing in mutual funds, while the investment objectives of the Continuing Fund do not contemplate capital appreciation or direct investment in securities and provide that the Continuing Fund will invest primarily in a mix of income-focused fixed income and equity mutual funds, it is the Manager’s opinion that a reasonable person would consider the fundamental investment objectives of the Terminating Fund and the Continuing Fund to be less than substantially similar.

The portfolio manager and sub-advisor of the Terminating Fund are the Manager and Sentry Investments Inc. (“**Sentry**”), respectively. The portfolio manager of the Continuing Fund is the Manager and there is no sub-advisor. After the merger, the portfolio manager of the Continuing Fund will continue to be the Manager.

### Comparison of Fund Size and Management Fees

The following table sets out the combined assets under management, management and administration fees for each applicable series and the MER for each series for each of the Terminating Fund and the Continuing Fund. Holders of securities of each series of the Terminating Fund will receive securities of the equivalent series of the Continuing Fund, determined on a dollar-for-dollar basis:

Fund	Assets under Management (\$ Millions) as at August 15, 2017	Series	Management Fee per Annum	Administrative Fee per Annum	MER
Sun Life Sentry Conservative Balanced Fund	\$20.55	A	1.85%	0.20%	2.22%
		T5	1.85%	0.20%	2.23%
		F	0.85%	0.20%	1.19%
		I	Negotiated and paid directly by investors, but will not exceed 1.50%	0.05%	0.06%
		O	0.85%	0.20%	0.23%
Sun Life Granite Income Portfolio	\$155.57	A	1.50%	0.20%	1.97%
		T5	1.50%	0.20%	N/A <sup>1</sup>
		F	0.75%	0.20%	1.10%
		I	Negotiated and paid directly by investors, but will not exceed 1.50%	0.03%	0.10%
		O	0.75%	0.20%	0.29%

<sup>1</sup> MER is not available since securities of this series have not yet been distributed.

In addition to the management fee, both the Terminating Fund and the Continuing Fund are responsible for the payment of its fund costs, including: (a) borrowing costs incurred by the Fund from time to time; (b) fees and expenses payable to or in connection with the Fund's independent review committee ("IRC"); (c) taxes payable by the Fund; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Fund. The Funds also pay costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Fund, but are not included in the MER of a series of the Fund.

As a result of the merger, securityholders of the Terminating Fund will receive securities of the Continuing Fund that have a management fee that is the same as, or lower than, that charged in respect of their securities of the Terminating Fund. Securityholders of the Terminating Fund will also receive securities of the Continuing Fund that have an administrative fee that is the same as, or lower than, the

administrative fee charged in respect of their securities of the Terminating Fund. It is the Manager's opinion that a reasonable person would consider the fee structures of the Terminating Fund and the Continuing Fund to be substantially similar.

### MANAGEMENT OF THE FUNDS

Management of the day-to-day affairs of the Funds is the responsibility of the Manager pursuant to a master management agreement. Pursuant to a sub-advisory agreement between Sentry and the Manager, Sentry provides investment advisory services to the Terminating Fund. The Terminating Fund pays management fees to the Manager for the services provided and the Manager pays a portion of these fees to the sub-advisor. The Continuing Fund does not have a sub-advisor and so all management fees are paid by the Continuing Fund to the Manager.

During the period from January 1, 2016 to August 15, 2017, total management fees (inclusive of goods and services tax) paid by the Funds in respect of all series of securities, as applicable (other than Series O securities and Series I securities of the Funds, in respect of which no management fees are paid by the Funds) were as follows:

Name of Fund	Management Fees Paid During the Financial Year Ended December 31, 2016	Management Fees Paid During the Period January 1, 2017 to August 15, 2017
Sun Life Sentry Conservative Balanced Fund	\$43,598	\$50,567
Sun Life Granite Income Portfolio	\$981,984	\$797,524

The names and municipalities of residence of the insiders of the Terminating Fund, who include the directors and executive officers of the Manager, are: Sadiq S. Adatia, Mississauga, Ontario; Neil J. Blue, Toronto, Ontario; Patricia Callon, Toronto, Ontario; Kevin P. Dougherty, Toronto, Ontario; Leo Grepin, Kitchener, Ontario; Rick C. Headrick, Toronto, Ontario; Russell Purre, Toronto, Ontario; Lori Landry, Mississauga, Ontario; Paul Sergi, Guelph, Ontario and Brennan Kennedy, Waterloo, Ontario.

The securityholders set out below are considered to be insiders of the Terminating Fund because each owned, as of August 15, 2017, more than 10% of the securities of the Terminating Fund.

	Holder of Securities	Municipality
46.25%	Sun Sentry Conservative Balanced	Waterloo
25.70%	Sun Life Assurance Company of Canada	Toronto

Other than the purchase, sale and ownership of securities of the Terminating Fund, none of the insiders received any form of compensation from the Terminating Fund and none of them was indebted to or had any transaction or arrangement with the Terminating Fund during 2016. The Manager is an indirect wholly-owned subsidiary of Sun Life Financial Inc. Sun Life Financial Inc. is a public company listed on the Toronto Stock Exchange, the New York Stock Exchange and the Philippine Stock Exchange and its corporate office address is One York Street, Toronto, Ontario M5J 0B6.

## APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors and/or officers of the Manager. **You have the right to appoint some other person (who need not be a securityholder of the Terminating Fund) to attend or act on your behalf at the Meeting by striking out the printed names and inserting the name of such other person in the blank space provided in the form of proxy, or by completing another proxy in the proper form. To be valid, proxies must be delivered or mailed to Broadridge Investor Communications Solutions, P.O. Box 2800, Station LCD, Malton, Mississauga, Ontario, L5T 2T7 and must be received by Broadridge Investor Communications Solutions at least 24 hours (excluding Saturdays, Sundays and holidays) before the start of the Meeting, or of any adjourned, postponed or continued meeting. You may also deposit your proxy with the Chair of the meeting by the start of the meeting at the latest.**

If you give a proxy, you may revoke it in relation to any matter, provided a vote has not already been taken on that matter. You can revoke your proxy by:

- completing and signing a proxy bearing a later date and depositing it as described above;
- depositing a written revocation executed by you, or by your attorney who you have authorized in writing to act on your behalf, at the above address at any time up to and including the last business day preceding the day of the Meeting, or any postponement(s), adjournment(s) or continuance(s), at which the proxy is to be used, or with the chair of the Meeting before the beginning of the Meeting on the day of the Meeting or any postponements(s), adjournment(s) or continuance(s); or
- any other manner permitted by law.

## EXERCISE OF DISCRETION BY PROXIES

The management representatives designated in the enclosed form of proxy will vote the securities for which they are appointed proxy in accordance with your instructions as indicated on the form of proxy.

**In the absence of such direction, such securities will be voted by the management representatives in favour of the resolution set out in Schedule “A” to this Information Circular.**

The enclosed form of proxy confers discretionary authority on the designated management representatives relating to amendments to or variations of matters identified in the Notice of Meeting and relating to other matters which may properly come before the Meeting. At the date of this Information Circular, the Manager does not know of any such amendments, variations or other matters.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The capital of the Terminating Fund may be divided into an unlimited number of classes and series. An unlimited number of securities of each series may be issued. As at the opening of business on August 15, 2017, the Terminating Fund had the following numbers of issued and outstanding securities:

	<b>Number of Securities Issued and Outstanding</b>
Series A .....	421,369.158
Series T5 .....	5,429.416
Series F .....	43,086.835
Series I .....	1,491,234.835
Series O .....	133,687.834

Each whole security of the Terminating Fund entitles the holder to one vote on all matters relating to such Fund.

The board of directors of the Manager has fixed August 25, 2017 to be the date for determining which securityholders of the Terminating Fund are entitled to receive notice of, and to vote at, the Meeting.

The quorum requirement for the Terminating Fund is set out above under the subheading “Required Approvals”.

To the knowledge of the directors and senior officers of the Manager, as of the opening of business on August 15, 2017, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to the securities of any series of the Terminating Fund entitled to be voted at the Meeting except as follows:

<u>Holder Of Securities</u>	<u>Series</u>	<u>Number of Securities Held</u>	<u>Percentage of the Series Issued and Outstanding</u>
*Investor A	F	6,284.794	14.59%
*Investor B	F	15,779.956	36.62%
Sun Life Assurance Company of Canada	I	532,288.876	35.69%
Sun Sentry Conservative Balanced	I	957,928.548	64.24%
*Investor C	O	14,278.140	10.68%
*Investor D	O	15,362.154	11.49%
Sun Life Global Investments Canada Inc.	T5	760.064	14.00%
*Investor E	T5	1,638.334	30.18%
*Investor F	T5	3,031.018	55.82%

\*To protect the privacy of this investor who is an individual, the Manager has omitted the name of this securityholder. This information is available on request by contacting the Manager at 1-877-344-1434.

In addition, as of August 15, 2017, the directors and executive officers of the Manager owned, in the total, 0.14% of the issued and outstanding Series F securities of the Terminating Fund.

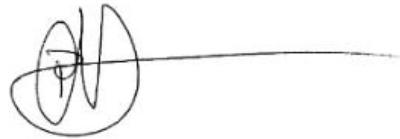
Securities of the Terminating Fund that are held by other mutual funds managed by the Manager will not be voted at the Meeting. The Manager intends to vote any securities of the Terminating Fund that

it owns at the Meeting in favour of the proposed resolution and the Manager understands that certain companies affiliated to it, including Sun Life Assurance Company of Canada, intend to vote the securities held by them at the Meeting in favour of the proposed resolution. These affiliates hold these securities in connection with their obligations towards their respective clients, the nature of which is determined by reference to the Terminating Fund.

**GENERAL**

The contents of this Information Circular and the sending of it to securityholders of the Terminating Fund have been approved by the board of directors of the Manager.

**By Order of the Board of Directors of Sun Life  
Global Investments (Canada) Inc.**, as trustee and  
Manager of the Terminating Fund

A handwritten signature in black ink, consisting of a stylized 'RH' followed by a long horizontal line extending to the right.

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Name: Rick Headrick  
Title: President

September 5, 2017

**SCHEDULE “A” – MERGER RESOLUTION**

**WHEREAS** it is in the best interests of Sun Life Sentry Conservative Balanced Fund (the “**Terminating Fund**”) and its securityholders to merge into Sun Life Granite Income Portfolio (the “**Continuing Fund**”);

**BE IT RESOLVED THAT:**

1. the merger of the Terminating Fund into the Continuing Fund as described in the management information circular dated September 5, 2017 including the investment of the Terminating Fund’s portfolio assets in cash and cash equivalents immediately before the merger, be and the same is hereby authorized and approved;
2. Sun Life Global Investments (Canada) Inc. as trustee and manager of the Terminating Fund (the “**Manager**”), be and is hereby authorized to:
  - (a) distribute a sufficient amount of its net income and net realized capital gains, if any, so that the Terminating Fund will not be subject to tax under Part I of the *Income Tax Act* (Canada) for its taxation year that includes the merger date;
  - (b) sell the net assets of the Terminating Fund to the Continuing Fund in exchange for securities of the applicable series of the Continuing Fund;
  - (c) distribute the securities of the Continuing Fund received by the Terminating Fund to securityholders of the Terminating Fund in exchange for all of these securityholders’ existing securities of the Terminating Fund on a dollar-for-dollar and series-by-series basis;
  - (d) wind up the Terminating Fund as soon as reasonably possible following the merger; and
  - (e) amend the declaration of trust of the Terminating Fund to the extent necessary to give effect to the foregoing.
3. all amendments to any agreements to which the Terminating Fund is a party that are required to give effect to the matters approved in this resolution be and are hereby authorized and approved;
4. any one officer or director of the Manager be and is hereby authorized and directed, on behalf of the Terminating Fund, to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
5. the Manager be and is hereby authorized to delay the implementation of the merger until a date that is no later than December 31, 2017 without further approval of the securityholders of the Terminating Fund; and
6. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the securityholders of the Terminating Fund, at any time before the implementation of the changes described above if it is considered to be in the best interests of the Terminating Fund or the Continuing Fund or their securityholders not to proceed.

