

FUND PERFORMANCE REPORT GLOBAL INCOME FUND

December 2022



Sun Life

This document contains key information concerning the underlying funds of Sun Life's unit-linked policies.

Launch Date	July 2013	Fund Size	USD 23,473,815
Net Asset Value Per Unit	USD 0.8620		

What does the Fund invest in?

The Global Income Fund is offered as a fund option exclusive to Sun MaxiLink Dollar One, Sun FlexiDollar and Sun FlexiDollar1 which are investment-linked life insurance products regulated by the Insurance Commission. The Fund is invested only in foreign currency-denominated high-quality fixed income and fixed income-linked instruments that are classified as average to below average risk.

The Fund is suitable for clients with a **moderate risk profile** and long-term investment horizon. This is for clients who want to take advantage of global investment opportunities and aim for relatively stable and reasonable returns.

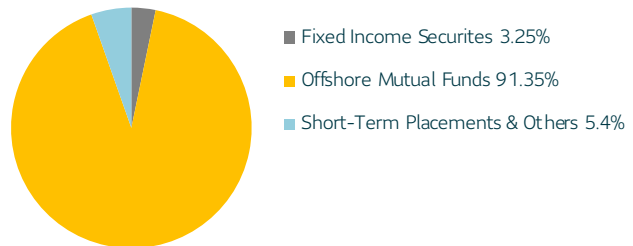
Top Offshore Mutual Fund Holdings:

- Wellington Global Bond, 29.48%
- Schroder ISF Global Bond, 27.93%
- Invesco Global Investment Grade Corporate Bond, 15.03%
- PIMCO GIS Income, 6.13%
- BGF Asian Tiger Bond, 4.58%

Fixed Income Holdings:

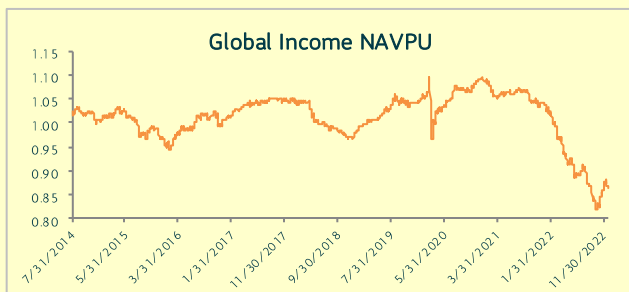
- UST 2052 (USD), 3.25%

Portfolio Mix



*Portfolio Mix may shift depending on market conditions.

How has the Fund performed?



VUL Global Income Fund Absolute Return

Since Inception	YTD	1-Year	3-Year	5-Year
-13.80%	-16.83%	-16.97%	-17.08%	-17.39%

Market Review

- Global fixed income rose by 0.54% in December as the market attempted to digest the hawkish rhetoric of the U.S. Federal Reserve (Fed) despite weakening inflation pressures. The 10Y US Treasury yield climbed from 3.50% at the beginning of December to end the year at 3.87%.
- U.S. CPI inflation sustained its downtrend with a 7.1% y/y reading in November. This was the second straight month that the print fell and came in below consensus expectations. Core inflation numbers have also showed signs of slowing down, with only the cost of shelter registering meaningful price gains. Nonetheless, inflation figures remain elevated versus historic levels.
- Amidst these developments on the inflation front, the Fed raised its policy rate by 50 bps to a range of 4.25%-4.50% in its December meeting. This is the seventh rate increase for 2022 but is less than the previous four rounds which saw 75 bps worth of rate hikes. However, the Fed's language has remained hawkish with Fed Chairman Powell reiterating that monetary policy will remain restrictive until meaningful progress on inflation is made.
- Similarly, the Bloomberg Commodity Index trended downwards in December and ended the month lower by -2.80%. The growing threat of a recession in the U.S. and Europe weighed on prices and consumer demand. Oil prices (WTI) ended the year close to US\$80/barrel, owing to a 13% intra-month rally.
- The possibility of a global recession in 2023 in the wake of the Fed's tightening measures this past year will be a key risk to monitor for market participants moving forward. The Fed's actions will be crucial as it will attempt to strike a delicate balance between bringing inflation back down to its 2% target range and preventing the economy from entering a recession.

VUL Fund performance depends on various market and economic conditions. Past performance is not a guarantee or indication of future results. Thus, returns are not guaranteed and may differ from the original investment. Information contained in this Fund Performance Report do not constitute advice. For more information on our insurance products, please consult a Sun Life Financial Advisor.