

# FUND PERFORMANCE REPORT INCOME FUND

September 2024



Sun Life

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

Launch Date	May 2011	Fund Size	PHP 3,059,220,315
Net Asset Value Per Unit	PHP 1.6355		

## What does the Fund invest in?

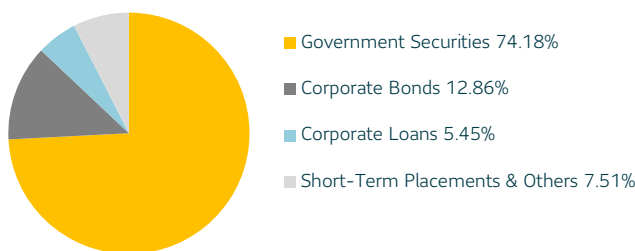
The Income Fund is offered as a fund option exclusive to Sun MaxiLink One, which is an investment-linked life insurance product regulated by the Insurance Commission. The Fund is invested only in high-quality fixed income instruments that are classified as below average risk.

The Fund is suitable for clients with a **moderate risk profile** and medium-term investment horizon. This is for clients who want relatively stable and reasonable returns.

### Top Fixed Income Holdings:

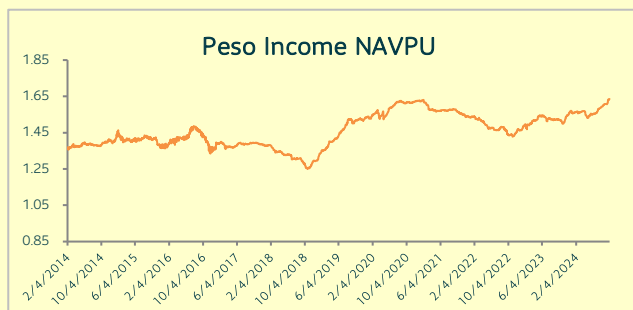
- Treasury Notes 2033, 12.85%
- Treasury Notes 2042, 10.12%
- Treasury Notes 2034, 8.21%
- Treasury Notes 2036, 6.33%

### Portfolio Mix



\*Portfolio Mix may shift depending on market conditions.

## How has the Fund performed?



### VUL Income Fund Absolute Return

Since Inception	YTD	1-Year	3-Year	5-Year
63.57%	4.15%	7.34%	4.29%	7.90%

## Market Review

- Short term bond yields fell by almost 50 basis points (bps) while those of longer-term bonds declined by more than 25 bps in September, leading to overall positive total returns for investors.
- The August CPI inflation print of 3.3% y/y was much lower than July's 4.4% y/y and slightly below the median forecast of 3.6% y/y. Meanwhile, the U.S. Federal Reserve (Fed) also cut their policy rate by 50 bps in its September meeting. These two factors may allow the Bangko Sentral ng Pilipinas (BSP) to cut rates further than initially anticipated, with BSP Governor Remolona indicating that a pair of 25 bps cuts for October and December is likely.
- The BSP will also cut the reserve requirement ratio (RRR) for universal banks by 2.5% effective October 25. This will free up close to Php 400 billion worth of liquidity that can be used for loans and investments.
- The Bureau of the Treasury (BTr) released its fourth quarter borrowing program which revealed that only Php 310 billion worth of bills and bonds will be auctioned. This is significantly lower than the Php 610 billion scheduled for this quarter.
- The BSP has indicated that it will likely cut rates by 25 basis points in each of its October and December meetings, as long as the economy remains on its current trajectory. With inflation cooling and policy easing now underway, local government bond yields have much room to continue moving lower.

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 product's, please consult a SunLife Financial Advisor.