

## Universal Life

### PowerOne Universal Life (HKD/USD)

#### Crediting Interest Rate Philosophy

Your Account Value will earn and accumulate interest at the Crediting Interest Rate. The Crediting Interest Rate can be changed by Sun Life Hong Kong Limited from time to time at our sole discretion, subject to any Crediting Interest Rate lock-in period and/or guaranteed minimum Crediting Interest Rate as stated in the policy document.

The Crediting Interest Rate may be affected by, but not limited to, factors such as the interest rate environment, market outlook, persistency experience; with the investment return of the assets supporting the product normally being the most significant factor. The experience of the investments backing the asset portfolio, less investment expenses, applicable taxes and our revenue margin, is passed-through to policyholders in the form of the declared Crediting Interest Rate.

In general, if experience is better than our expectation, then there is room to increase the Crediting Interest Rate; while if experience is worse than our expectation, the Crediting Interest Rate may need to be reduced. To avoid undue frequent changes to the Crediting Interest Rate, we employ an approach to smooth out favourable and unfavourable experiences over time which reduces short-term volatility to policyholders. As a result, you may enjoy a more stable Crediting Interest Rate into your Account Value.

The management of universal life business is governed by our internal policies, as well as advice from our Committee for Oversight of Universal Life Crediting Interest Rates. Accepted actuarial principles and practices are applied to achieve fairness between different products and generations of policies to the extent practicable. At least annually, our appointed actuary reports on the Crediting Interest Rate to our Board of Directors, who is responsible for Crediting Interest Rate declarations.