

Universal Life

SunRise Universal Life Insurance II (8-pay)

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 will be determined based on the performance of investments backing the portfolio*, less investment expenses, applicable taxes and our revenue margin. The Crediting Interest Rate may be affected by, but not limited to, factors such as the interest rate environment, credit spreads and defaults, market outlook, persistency experience, credit spreads, credit rating migrations and credit defaults; with the investment return of the multi-asset portfolio being the most important factor.

Due to the nature of the multi-asset portfolio, the Crediting Interest Rate can move up or down from one period to another. Favorable and unfavorable experiences may be smoothed out over time to provide more stable Crediting Interest Rate to policyholders. We may retain returns during periods of strong investment performance to support or maintain a stable Crediting Interest Rate during periods of less favorable investment performance. Conversely, returns during periods of weak investment performance may be distributed gradually across Crediting Interest Rates in current and future years. As a result, the crediting interest rate we declare may not immediately reflect the ups and downs in our multi-asset portfolio.

The management of universal life business is governed by our internal policies, as well as our Committee for Oversight of Universal Life Crediting Interest Rates. At least annually, our Appointed Actuary reviews and recommends the declaration of Crediting Interest Rate to our Board of Directors for approval.

* Net Investment return includes investment income and changes in asset value of the backing portfolio, which includes fixed income assets and derivatives on a multi-asset portfolio. Returns generated from these fixed income assets are utilized to acquire derivatives to gain exposure to a multi-asset portfolio.

Please refer to Sun Life Hong Kong Limited's website (www.sunlife.com.hk/creditinginterestratehistory_eng) for crediting interest rate history.