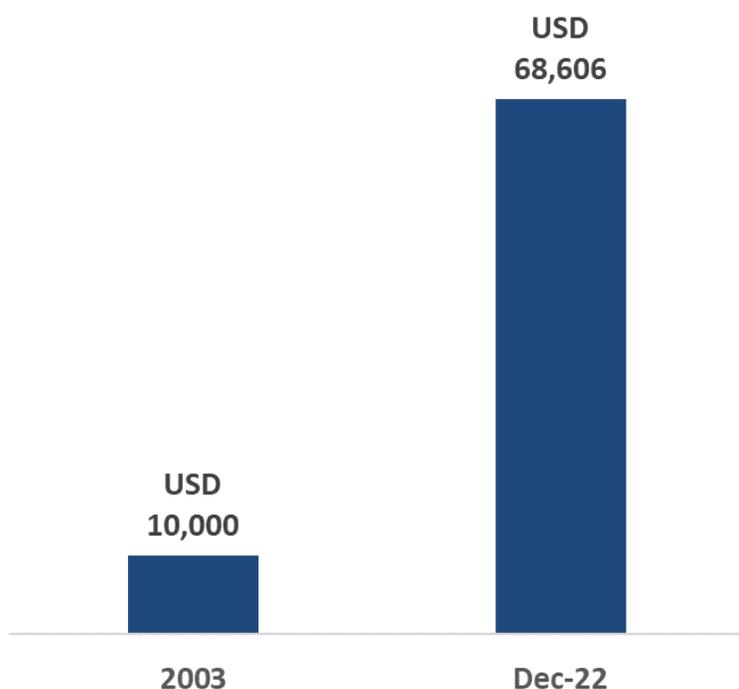


Sterling Global Funds (SGF)

Performance History since inception:

1. **Strong Performance History:** Sterling Global Funds (“the Fund”) is an offshore mutual fund with a moderate risk profile. The fund has generated **an average annual return of 10.3%** since 2003. US\$10,000 invested in the fund at inception in 2003 would be worth US\$68,606 as at December 28th, 2022.
2. **Returns vary from year to year**, even though the 19-year average return is 10.3%. Some years the fund generates positive returns and some years it generates negative returns. See graph below.
3. **This is a medium to long-term investment:** To earn the long-term average return of the fund, investors should invest in the fund for as close to this time horizon as possible.

US\$10,000 invested in SGF at inception is valued at US \$68,606 as at December 28, 2022



Recent Performance

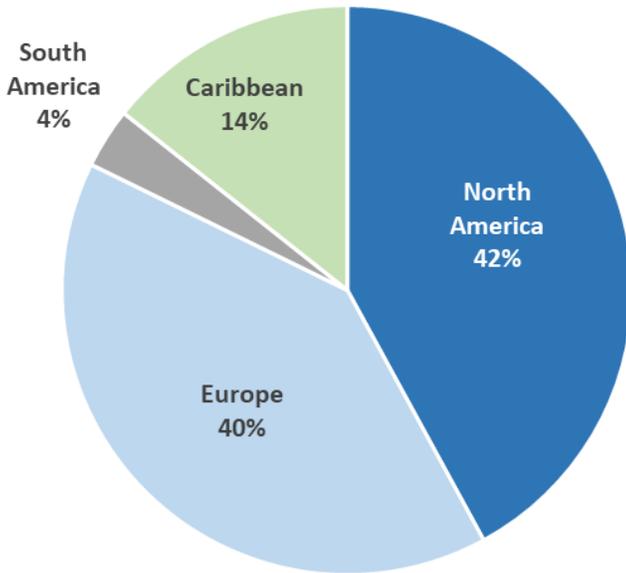
- **Most asset classes (stocks and bonds) recorded declines in 2022.** This is primarily a result of high inflation and aggressive monetary and fiscal policy tightening across developed and emerging market economies.
- **The decline in global bond prices resulted in a decline in the NAV of the fund in 2022. A decline in price does not equate to a realized loss.** A bond portfolio is always earning interest, no matter what is happening to the bond prices. Even when prices fall, most of the bonds in the fund are likely to continue to pay interest and repay their principal at maturity.

Investment Strategy

- **What does the fund invest in?** : The Fund is concentrated in US dollar fixed income instruments. The manager has dynamically adjusted the investment strategy across different economic environments. During the low interest rate environment of the past decade, the fund invested in corporate bonds issued by investment grade rated entities and, to a lesser extent, higher yield non-investment grade corporates and Quasi sovereigns in emerging markets. These assets performed well and appreciated in value throughout the low interest rate and easy monetary policy regime. However, during the last few years, the investment manager sought to shorten the duration of the portfolio in anticipation of higher interest rates and increased market volatility. The NAV of the fund will reflect this market volatility.
- **Duration: Just under 50% of the portfolio has a call date in the next 0-3 years.** Inflows of liquidity will allow the fund to take

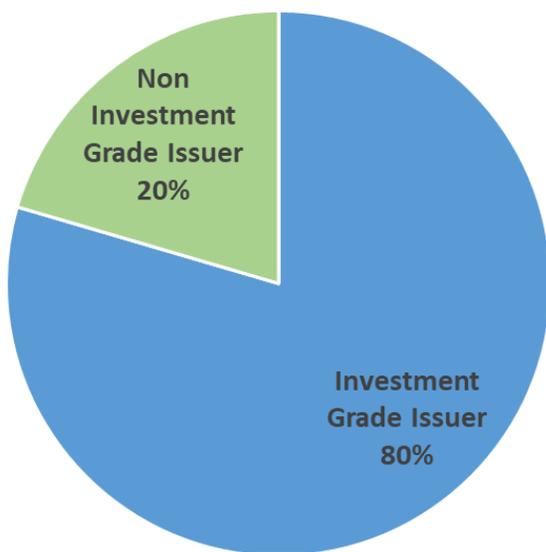
advantage of the higher yields available in the market.

- **Geography** : The fund gives investors global access. It is well diversified across jurisdictions.



- **High quality global assets** : The fund focuses on high quality issuers and instruments.

High Issuer Credit quality (80% Investment Grade Issuers) increases resilience of portfolio.



Outlook - What to Expect

- **Prices are likely to be volatile:** The NAV of the fund will reflect market volatility. There is still a lot of uncertainty in global markets. Inflation is trending down but the probability of a recession is rising as Central Banks continue to tighten monetary policy. Historically, bonds tend to outperform other asset classes during recessions.
- **Positive returns are likely over the medium to long term:** Investors should hold for the medium to long term if they wish to maximize their returns. As inflation comes down and interest rates peak, the probability of a recovery in bond prices increases. The investment manager has successfully navigated a wide variety of economic cycles and environments. The manager is focused on capitalizing on the existing opportunities available.

YOY return

