





# SECURITIES AND EXCHANGE COMMISSION

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**SEC Registration No.:** CS201517778

**Company Name:** SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.

**Industry Classification:** J66940

**Company Type:** Stock Corporation

## Document Information

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**Period Covered:** December 31, 2024

**Submission Type:** Annual

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders  
SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.  
(An Open-end Investment Company)  
Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Sun Life Prosperity Dollar Wellspring Fund, Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022, in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

#### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 17-A Annual Report submission to the SEC, which is prepared by the Management and submitted after the issuance of the audited financial statements with our auditor's report attached thereon.

The SEC Form 17-A is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information identified above which have not yet been received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

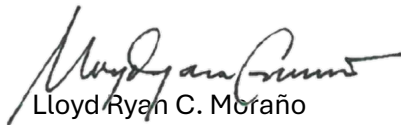
#### **Report on Other Legal and Regulatory Requirements**

##### *Report on the Supplementary Information Required by the Bureau of Internal Revenue*

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### **Navarro Amper & Co.**

BOA/PRC ACR. No. 0004, valid until September 22, 2027



Lloyd Ryan C. Moraño

Partner

CPA Certificate No. 0108235

TIN 226-565-008

BIR ACR. No. 08-002552-090-2023, March 10, 2023; effective until March 9, 2026

BOA/PRC ACR. No. 0004/P-014, valid until September 22, 2027

PTR No. A-6396519, January 4, 2025, Taguig City

Taguig City, Philippines

March 31, 2025



**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

(In US Dollars)

		<b>December 31</b>	
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash in bank	6	<b>\$ 146,123</b>	\$ 136,231
Financial assets at fair value through profit or loss	7	<b>4,098,716</b>	4,462,158
Accrued interest receivable	8	<b>3,740</b>	4,106
Due from brokers	8	-	-
		<b>\$4,248,579</b>	\$4,602,495
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	10	<b>\$ 27,624</b>	\$ 5,641
Payable to fund manager	11	<b>6,131</b>	6,891
Due to brokers	9	-	35,041
Income tax payable		<b>47</b>	111
Total Current Liabilities		<b>33,802</b>	47,684
<b>Equity</b>			
Share capital	12	<b>142,732</b>	142,732
Additional paid-in capital	13	<b>6,256,977</b>	6,257,459
Retained earnings		<b>462,563</b>	276,860
		<b>6,862,272</b>	6,677,051
Treasury shares	12	<b>(2,647,495)</b>	(2,122,240)
Total Equity		<b>4,214,777</b>	4,554,811
		<b>\$4,248,579</b>	\$4,602,495
<b>Net Asset Value Per Share</b>	14	<b>\$ 1.0860</b>	\$ 1.0410

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Investment Income (Loss)</b>				
Net realized gains (loss) on investments	7	<b>\$296,453</b>	(\$111,549)	(\$387,561)
Dividend income	7	<b>10,677</b>	10,426	11,698
Interest income	15	<b>18,295</b>	15,004	16,995
Others		<b>12</b>	683	120
		<b>325,437</b>	(85,436)	(358,748)
<b>Investment Expenses</b>				
Commission	9	<b>1,436</b>	858	1,197
<b>Net Investment Income (Loss)</b>		<b>324,001</b>	(86,294)	(359,945)
<b>Operating Expenses</b>				
Management and transfer fees	11	<b>44,296</b>	47,448	60,237
Distribution fees	11	<b>36,914</b>	39,540	50,173
Directors' fees	11	<b>4,475</b>	4,961	6,041
Custodian fees		<b>5,710</b>	2,435	8,639
Professional fees		<b>3,195</b>	3,142	2,798
Taxes and licenses		<b>3,241</b>	3,150	2,779
Miscellaneous		<b>2,801</b>	467	1,952
Printing and supplies		<b>44</b>	22	24
		<b>100,676</b>	101,165	132,643
<b>Profit (Loss) Before Net Unrealized Gains (Loss) on Investments</b>		<b>223,325</b>	(187,459)	(492,588)
<b>Net Unrealized Gain (Loss) on Investments</b>	7	<b>(37,170)</b>	514,399	(742,966)
<b>Profit (Loss) Before Tax</b>		<b>186,155</b>	326,940	(1,235,554)
<b>Income Tax Expense</b>	18	<b>452</b>	523	466
<b>Total Comprehensive Income (Loss) for the Year</b>		<b>\$185,703</b>	\$326,417	(\$ 1,236,020)
<b>Basic earnings (loss) per share</b>	16	<b>\$ 0.045</b>	\$ 0.068	(\$0.215)

See Notes to Financial Statements.

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY**

(In US Dollars)

For the Years Ended December 31

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2022	12	\$ 142,732	\$6,372,630	\$1,264,913	(\$ 615,951)	\$ 7,164,324
Total comprehensive loss for the year		-	-	(1,236,020)	-	(1,236,020)
Transactions with owners:	12					
Acquisition of treasury shares during the year		-	-	-	(981,607)	(981,607)
Reissuance of treasury shares during the year		-	(64,143)	-	376,378	312,235
Issuance of stock dividends		-	(8,783)	(78,450)	87,233	-
Total transactions with owners	12	-	(72,926)	(78,450)	(517,996)	(669,372)
Balance, December 31, 2022	12,13	142,732	6,299,704	(49,557)	(1,133,947)	5,258,932
Total comprehensive income for the year		-	-	326,417	-	326,417
Transactions with owners:	12					
Acquisition of treasury shares during the year		-	-	-	(1,264,191)	(1,264,191)
Reissuance of treasury shares during the year	12	-	(42,245)	-	275,898	233,653
Total transactions with owners	12	-	(42,245)	-	(988,293)	(1,030,538)
Balance, December 31, 2023	12,13	142,732	6,257,459	276,860	(2,122,240)	4,554,811
Total comprehensive income for the year		-	-	185,703	-	185,703
Transactions with owners:	12					
Acquisition of treasury shares during the year		-	-	-	(716,505)	(716,505)
Reissuance of treasury shares during the year	12	-	(482)	-	191,250	190,768
Total transactions with owners	12	-	(482)	-	(525,255)	(525,737)
<b>Balance, December 31, 2024</b>	12,13	<b>\$142,732</b>	<b>6,256,977</b>	<b>\$462,563</b>	<b>(2,647,495)</b>	<b>\$4,214,777</b>

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CASH FLOWS**

(In US Dollars)

For the Years Ended December 31

	Notes	2024	2023	2022
<b>Cash Flows from Operating Activities</b>				
Profit (Loss) before tax		\$ 186,155	\$ 326,940	(\$ 1,235,554)
Adjustments for:				
Net unrealized loss (gains) on investments	7	37,170	(514,399)	742,966
Net realized loss (gains) on investments	7	(296,453)	111,549	387,561
Interest income	15	(18,295)	(15,004)	(16,995)
Operating cash flows before working capital changes		(91,423)	(90,914)	(122,022)
Increase (Decrease) in:				
Accrued expenses and other payables		21,983	(47)	2,255
Payable to fund manager		(760)	(927)	(2,674)
Cash used in operations		(70,200)	(91,888)	(122,441)
Acquisition of financial assets at fair value through profit or loss	7,9	(7,057,853)	(6,220,786)	(7,092,626)
Proceeds from disposal of financial assets at fair value through profit or loss	7,9	7,645,537	7,308,822	7,583,464
Interest received		18,661	13,666	17,164
Income taxes paid		(516)	(448)	(443)
Net cash generated from operating activities		535,629	1,009,366	385,118
<b>Cash Flows from Financing Activities</b>				
Payments on acquisition of treasury shares	12	(716,505)	(1,264,191)	(981,607)
Proceeds from reissuance of treasury shares	12	190,768	233,653	312,235
Net cash used in financing activities		(525,737)	(1,030,538)	(669,372)
<b>Net Increase (Decrease) in Cash in banks</b>		<b>9,892</b>	<b>(21,172)</b>	<b>(284,254)</b>
<b>Cash in banks, Beginning</b>		<b>136,231</b>	<b>157,403</b>	<b>441,657</b>
<b>Cash in banks, End</b>		<b>\$ 146,123</b>	<b>\$ 136,231</b>	<b>\$ 157,403</b>

See Notes to Financial Statements.

# **SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**

(An Open-end Investment Company)

## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2024 AND 2023 AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**

### **1. CORPORATE INFORMATION**

Sun Life Prosperity Dollar Wellspring Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on September 4, 2015. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). The Company's investment objective is to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent and provider of management, distribution and all required operational services, as disclosed in Note 11.

As at December 31, 2024 and 2023, SLAMCI owns 20.41% and 18.10%, respectively, of the Company's share capital. The Company's registered office address and principal place of business is at the Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

The Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Revised Securities Regulation Code (SRC), which, among others, defines a public corporation as any corporation with assets of at least P50,000,000 and having 200 or more shareholders, each of whom holds at least 100 shares of its equity securities.

As at December 31, 2024 and 2023, the Company has 766 shareholders and 740 shareholders, respectively, each holding at least 100 shares of the Company's common shares.

### **2. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION**

#### **Statement of Compliance**

The financial statements of the Company have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy and adopted by the SEC.

#### **Basis of Preparation and Presentation**

The financial statements of the Company have been prepared on the historical cost basis, except for certain financial assets measured at fair value and certain financial instruments carried at amortized cost.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### **Functional and Presentation Currency**

These financial statements are presented in United States Dollar (USD), the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest dollar, except when otherwise indicated.

## **3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS**

### **Adoption of Amended Accounting Standards Effective in 2024**

In the current year, the Company has applied all amendments to PFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption had no material impact on the disclosures or the amounts reported in these financial statements.

### **New and Revised Accounting Standards Effective after the Reporting Period Ended December 31, 2024**

At the date of authorization of these financial statements, the company has not applied the following PFRS Accounting Standards pronouncements that have been issued but are not yet effective:

Effective for annual period beginning or after January 1, 2025

- Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates — Lack of Exchangeability

Effective for annual period beginning or after January 1, 2026

- Amendments to PFRS 9, Financial Instruments and PFRS 7, Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 9, Financial Instruments and PFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning or after January 1, 2027

- PFRS 18, Presentation and Disclosure in Financial Statements
- PFRS 19, Subsidiaries without Public Accountability: Disclosures
- PFRS 17, Insurance Contracts
- Amendments to PFRS 17, Insurance Contracts
- Amendment to PFRS 17, Insurance Contracts - Initial Application and PFRS 9, Financial Instruments – Comparative Information

Deferred effectivity

- Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management anticipates that the adoption of the new or revised PFRS Accounting Standards in future periods will not have a material impact on the financial statements in the period of their initial adoption.

## **4. MATERIAL ACCOUNTING POLICIES**

### **Financial assets**

#### **Initial recognition and measurement**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss (FVTPL), transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

### **Classification and Subsequent Measurement**

The Company classifies its financial assets in the following measurement categories:

- FVTPL;
- Fair value through other comprehensive income (FVTOCI); and
- Amortized cost

Classification of financial assets will be driven by the entity's business model for managing the financial assets and the contractual cash flows of the financial assets.

A financial asset is to be measured at amortized cost if: a) the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and b) the contractual cash flows under the instrument represent solely payment of principal and interest (SPPI).

All other debt and equity instruments must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of comprehensive income, except for equity investments that are not held for trading, which may be recorded in the statement of comprehensive income or in reserves (without subsequent recycling to profit or loss).

#### Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

- Amortized cost. Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- FVTPL. Assets that do not meet the criteria for amortized cost are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of comprehensive income within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in finance income.

#### *Amortized cost and effective interest method*

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period.

For financial instruments, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses (ECL), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

### Equity instruments

The Company subsequently measures all equity investments at FVTPL, except where the Company's Management has elected, at initial recognition, to irrevocably designate an equity instrument at FVTOCI. The Company's policy is to designate equity investments as FVTOCI when those investments are held for the purposes other than to generate investment returns. As at December 31, 2024 and 2023, the Company does not have financial assets classified as FVTOCI.

Changes in the fair value of financial assets measured at FVTPL are recognized in the statements of profit or loss. These changes are reported as either net realized gains (losses) or unrealized gains (losses) on investments, as appropriate.

### Derecognition

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognized in OCI and accumulated in equity is recognized in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss.

## **Financial Liabilities and Equity Instruments**

### Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

#### *Derecognition of financial liabilities*

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

### Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### *Share capital*

Share capital consisting of ordinary shares is classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. Any excess of proceeds from issuance of shares over its par value is recognized as additional paid-in capital.

#### *Retained earnings (deficit)*

Retained earnings represent accumulated profit attributable to equity holders of the Company after deducting dividends declared. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

### *Repurchase, disposal and reissuance of share capital (treasury shares)*

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable cost, net of any tax effects, is recognized as a reduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognized as increase in equity, and the resulting surplus or deficit on the transaction is presented as additional paid-in capital.

### **Revenue Recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer.

### Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Dividend income

Dividend income from investments is recognized when the shareholders' rights to receive payments have been established, usually at ex-dividend rate, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### Realized gains or losses

Gains or losses arising on the disposal of investments are determined as the difference between the sales proceeds and the carrying amount of the investments and is recognized in profit or loss.

### Fair value gains or losses

Gains or losses arising from changes in fair values of investments are disclosed under the policy on financial assets.

### Other income

Other income is income generated outside the normal course of business and is recognized when it is probable that the economic benefits will flow to the Company and it can be measured reliably.

### **Expense Recognition**

Expenses are recognized in profit or loss when incurred.

Expenses in the statements of comprehensive income are presented using the function of expense method. Investment expenses are transaction costs incurred in the purchase and sale of investments. Operating expenses are costs attributable to the administrative and other business expenses of the Company including management fees and custodianship fees.

### **Fair Value**

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **Related Party Transactions**

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

### **Taxation**

Income tax expense represents the sum of the current tax, final tax and deferred tax expense.

#### Current tax

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate or 1% minimum corporate income tax (MCIT), rate in July 1, 2020 to June 30, 2023 and 25% RCIT rate or 2% MCIT rate, whichever is higher, effective July 1, 2023, respectively.

#### Final tax

Final tax expense represents final taxes withheld on interest income from cash and cash equivalents and fixed-income securities and final taxes withheld on proceeds from sale of listed equity securities.

#### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and these relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred taxes are also recognized in OCI or directly in equity, respectively.

## **Foreign Currency**

Transactions in currencies other than functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date the fair value was determined. Gains and losses arising on retranslation are included in profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities when the gains and losses of such non-monetary items are recognized directly in equity. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated.

## **Earnings (Loss) per Share**

The Company computes its basic earnings (loss) per share by dividing profit or loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings (loss) per share, profit or loss for the year attributable to ordinary equity holders of the Company and the weighted average number of shares outstanding are adjusted for the effects of DFFS which are dilutive potential ordinary shares.

## **Net Asset Value per Share (NAVPS)**

The Company computes its NAVPS by dividing the total net asset value as at the end of the reporting period by the number of issued and outstanding shares and shares to be issued on deposits for future stock subscriptions.

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical Judgments in Applying Accounting Policies**

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated.

The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the

business model for which the remaining financial assets held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

The Company measures its financial assets at amortized cost if the financial asset qualifies for both SPPI and business model test. The Company's business model is to hold the asset and to collect its cash flows which are SPPI. All other financial assets that do not meet the SPPI and business model test are measured at FVTPL.

As at December 31, 2024 and 2023, the Company's financial assets measured at FVTPL amounted to \$4,098,716 and \$4,462,158, respectively, as disclosed in Note 7, and financial assets measured at amortized cost amounted to \$149,863 and \$140,337, respectively, composed of cash in banks and accrued interest receivables as disclosed in Note 6 and 8, respectively.

#### Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 17 and 20, respectively.

#### Functional currency

Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the US dollar (USD). The USD is the currency of the primary economic environment in which the Company operates. It is the currency being used to report the Company's results of operations.

#### Puttable shares designated as equity instruments

The Company's share capital met the specified criteria to be presented as equity. The Company designated its redeemable share capital as equity instruments since the Company's share capital met the criteria specified in PAS 32, Financial Instruments: Presentation, to be presented as equity.

A puttable financial instrument includes a contractual obligation for the issuer to repurchase or redeem that instrument for cash or another financial asset on exercise of the put. As an exception to the definition of a financial liability, an instrument that includes such an obligation is classified as an equity instrument if it has met all the following features:

- a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;
- b. it is in the class of instruments that is subordinate to all other classes of instruments;
- c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and
- e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at December 31, 2024 and 2023, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$142,732, as disclosed in Note 12.

### **Key Sources of Estimation Uncertainty**

The following are the Company's key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Deferred tax assets

The Company reviews the carrying amount at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit that will allow all or part of its deferred tax assets to be utilized.

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at December 31, 2024 and 2023, as disclosed in Note 18.

#### Determining the fair value of investments in debt securities classified as financial assets at FVTPL

The Company carries its investments in traded debt securities at fair value, which requires the use of accounting estimates and judgment. Since market interest rate is a significant component of fair value measurement, fair value would differ if the Company applied a different set of reference rates in the valuation methodology. Any change in the fair value of these financial assets would affect profit or loss and equity.

As at December 31, 2024 and 2023, the carrying amounts of investments in debt securities classified as financial assets at FVTPL amounted to \$324,317 and \$443,389, respectively, as disclosed in Note 7.

## **6. CASH IN BANKS**

This account consists of:

	<b>2024</b>	2023
Cash in banks	<b>\$146,123</b>	\$136,231

Cash in banks earned interest amounting to \$14, \$31 and \$26 at average rates of 0.01%, 0.03% and 0.05% in 2024, 2023 and 2022, respectively, as disclosed in Note 15.

## **7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

This account consists of:

	<b>2024</b>	2023
Global mutual funds	<b>\$ 2,727,524</b>	\$ 3,115,179
Global exchange traded funds	<b>1,046,875</b>	903,590
Investments in fixed-income securities	<b>324,317</b>	443,389
	<b>\$ 4,098,716</b>	\$ 4,462,158

Financial assets at FVTPL are composed of investments in global mutual funds, global exchange traded funds and fixed-income securities in the form of dollar-denominated government bonds.

Investment in global mutual funds and global exchange traded funds are investments to foreign-based securities.

Investments in fixed-income securities are composed of treasury bonds.

The Company recognized dividend income from global mutual funds amounting to \$10,677, \$10,426, and \$11,698 in 2024, 2023 and 2022, respectively.

Interest income earned on fixed-income securities amounted to \$18,281, \$14,973, and \$16,969 in 2024, 2023 and 2022, respectively, as disclosed in Note 15. Average interest rates earned on these investments are also disclosed in Note 15.

Accrued interest receivable amounted to \$3,740 and \$4,106 as at December 31, 2024 and 2023, respectively, as disclosed in Note 8.

Net gains and (losses) on investments recognized in profit or loss arising from financial assets at FVTPL are as follows:

	2024	2023	2022
Net realized gains (losses) on investments in:			
Equity securities	<b>\$355,716</b>	(\$56,930)	(\$294,180)
Fixed-income securities	<b>(59,263)</b>	(54,619)	(93,381)
	<b>296,453</b>	(111,549)	(387,561)
Net unrealized gains (losses) on investments in:			
Equity securities	<b>(62,885)</b>	457,345	(616,852)
Fixed-income securities	<b>25,715</b>	57,054	(126,114)
	<b>(37,170)</b>	514,399	(742,966)
	<b>\$259,283</b>	\$402,850	(\$1,130,527)

Net gains and losses on investments in equity securities are composed of global exchange traded and mutual funds while fixed-income securities pertain to dollar-denominated bonds.

The movements in the financial assets at FVTPL are summarized as follows:

	2024	2023	2022
Balance, January 1	<b>\$4,462,158</b>	\$ 5,112,303	\$6,713,668
Additions	<b>7,065,753</b>	6,255,827	7,092,626
Disposal	<b>(7,392,025)</b>	(7,420,371)	(7,951,025)
Unrealized gains (losses)	<b>(37,170)</b>	514,399	(742,966)
Balance, December 31	<b>\$4,098,716</b>	\$ 4,462,158	\$5,112,303

The following presents the breakdown of the maturity profile of the principal amounts of fixed-income securities:

	2024	2023
Due after five years through ten years	<b>\$172,000</b>	\$117,000
Due after ten years	<b>168,000</b>	383,000
	<b>\$340,000</b>	\$500,000

#### 8. ACCRUED INTEREST RECEIVABLE

	Note	2024	2023
Fixed-income securities	7	<b>\$3,740</b>	\$4,106

## 9. DUE TO BROKERS

Due to brokers account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled three days after the transaction date.

Due to brokers amounting to nil and \$35,041 as at December 31, 2024 and 2023, respectively.

Commissions are paid to brokers when buying and selling shares of stock. Commission expense amounting to \$1,436, \$858 and \$1,197 in 2024, 2023 and 2022, respectively, are paid to brokers when buying and selling shares of stock.

## 10. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2024	2023
Due to investors	\$ 24,916	\$ 1,628
Professional fees	1,723	3,102
Withholding and documentary stamp taxes	676	770
Custodianship fees	300	141
Others	9	-
	<b>\$ 27,624</b>	<b>\$ 5,641</b>

Other payables are non-interest bearing and are normally settled within one year.

Due to investors account pertains to amounts payable to investors for the redemption of their investments processed on or before the reporting period, which are usually paid four days after the transaction date.

## 11. RELATED PARTY TRANSACTIONS

In the normal course of business, the Company transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*.

The details of transactions with related parties and the amounts paid or payable are set out below:

Nature of Transaction	Transactions During the Period			Outstanding Payable		Term	Condition	Notes
	2024	2023	2022	2024	2023			
SLAMCI-Fund Manager								
Management Distribution and Transfer fees	\$81,210	\$ 86,988	\$110,410	\$6,131	\$6,891	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before the 15 <sup>th</sup> day of the following month	Unsecured; Unguaranteed;	a
Key Management Personnel								
Director's Fee	\$ 4,475	\$ 4,961	\$6,041	-	-	Payable on demand; Settled in cash	Unsecured; Unguaranteed;	b
Entities Under Common Control								
Sun Life Prosperity Dollar Advantage Fund, Inc						Non-interest bearing; Settled in cash on the day of transaction	Unsecured;	c
Sale	\$ -	\$171,422	-	-	-			

The related party below holds the following number of shares and current value of the Company as at December 31, 2024 and 2023:

Related party	2024		2023	
	Number of shares	Current Value	Number of shares	Current Value
SLAMCI	792,170	\$ 860,335	792,170	\$ 824,640

As at December 31, 2024 and 2023, SLAMCI subscribed 792,170 shares to the Company representing 20.41% and 18.10% of net assets, respectively.

Details of the Company's related party transactions are as follows:

**a. Investment Management**

On September 7, 2015, the Company and SLAMCI entered into a Management and Distribution Agreement (MDA) wherein SLAMCI will act as its fund manager, adviser, administrator, distributor and transfer agent and will provide management, distribution and all required operational services. Under the MDA, SLAMCI will receive aggregate fees for these services at an annual rate of 1.50% of the net assets on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% of the net assets attributable to shareholders on each valuation day. The agreement shall take effect upon commencement of the Company's commercial operations.

On January 22, 2024, the Board of Directors of the Company and SLAMCI jointly approved to continue its MDA and Transfer Agency Agreements based on the provisions of ICA 2018 IRR (Implementing Rules and Regulations of the Investment Company Act 2018) published by the SEC on January 11, 2018. The agreements shall remain to continue in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution and transfer fees charged by SLAMCI to the Company in 2024, 2023 and 2022 amounted to \$81,210, \$86,988 and \$110,410, respectively. Accrued management fees as at December 31, 2024 and 2023 amounted to \$6,131 and \$6,891, respectively, shown as "Payable to fund manager" in the statements of financial position.

**b. Remuneration of Directors**

Remuneration of Directors is presented in the statements of comprehensive income under "Directors' fees" amounting to \$4,475, \$4,961, and \$6,041 in 2024, 2023 and 2022, respectively, which are usually paid to directors based on the number of meetings held and attended. There were no accrued directors' fees as at December 31, 2024 and 2023.

Except for the Board of Directors, the Company has no management personnel and employees. Pursuant to the Company's MDA with SLAMCI, the latter provides all the staff of the Company, including executive officers and other trained personnel.

**c. Purchase and Sale of Investments**

These types of transactions are buy and sell of the same security between portfolios of two separate affiliated legal entities and whose assets are managed by Investments Department of SLAMCI until July 25, 2021 and Sun Life Investment Management and Trust Corporation from July 26, 2021 onwards. Portfolio Managers determine that this is appropriate and in the best interest of certain portfolios and ensure that the trade will be executed in a manner that is fair and equitable to both parties involved in the cross trade.

## 12. EQUITY

Movements are as follows:

	2024		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized: at P1.00 par value	<b>10,000,000</b>	<b>P10,000,000</b>	10,000,000	P10,000,000	10,000,000	P10,000,000
Issued and fully paid:						
At January 1	<b>6,487,796</b>	<b>\$142,732</b>	6,487,796	\$142,732	6,487,796	\$142,732
Issuance during the year	-	-	-	-	-	-
At December 31	<b>6,487,796</b>	<b>\$142,732</b>	6,487,796	\$142,732	6,487,796	\$142,732
Treasury shares:						
At January 1	<b>2,112,332</b>	<b>\$2,122,240</b>	1,075,349	\$1,133,947	507,417	\$ 615,951
Acquisition	<b>671,352</b>	<b>716,505</b>	1,270,706	1,264,191	947,592	981,607
Reissuance	<b>(176,725)</b>	<b>(191,250)</b>	(233,723)	(275,898)	(379,660)	(463,611)
At December 31	<b>2,606,959</b>	<b>\$2,647,495</b>	2,112,332	\$2,122,240	1,075,349	\$1,133,947

Fully paid ordinary shares with a par value of P1.00 carry one vote per share and carry a right to dividends.

### *Incorporation*

The Company was incorporated on September 4, 2015 with 6,000,000 authorized shares with a par value of 1.00. The SEC approved the registration on March 22, 2016.

### *Approved changes*

On September 7, 2015, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P1.00 per share. The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

On September 21, 2017, the Chairman of the Board of Directors of the Company and the President of SLAMCI jointly authorized the increase in Authorized Share Capital by Four Million Pesos (P4,000,000) divided into Four Million (4,000,000) shares at a par value of P1 per share. This increases the authorized share capital from P6,000,000 divided into 6 million shares to P10,000,000 divided into 10 million shares.

In April 2018, requirements were already provided to SEC based on the evaluator's initial comments.

On July 25, 2018, the SEC approved the additional 4 Million shares increase in authorized share capital, from 6 Million shares to 10 Million shares at a par value of P1.00 per share.

On September 18, 2018, the SEC received the registration statement filed by the Company to register the approved 4,000,000 shares.

On October 23, 2019, SEC approved the registration statement for the 4,000,000 shares increase.

### *Stock dividends*

On November 13, 2020, 4,196,301 shares or 70.39% of the outstanding share capital as at September 30, 2020 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.88% stock dividends to shareholders of record as of November 26, 2020 has been approved. The payout date was on November 27, 2020.

On November 12, 2021, 4,191,633 shares or 69.24% of the outstanding share capital as at September 30, 2021 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.58% stock dividends to shareholders of record as of November 25, 2021 has been approved. The payout date was on November 26, 2021.

On November 9, 2022, 3,716,841 shares or 66.68% of the outstanding share capital as at September 30, 2022 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.46% stock dividends to shareholders of record as of November 24, 2022 has been approved. The payout date was on November 25, 2022.

### *Current state*

As at December 31, 2024, the Company has 3,880,837 issued and outstanding shares out of the 10,000,000 authorized share capital with a par value of P1.00 per share.

The annual summary of the transactions affecting the Company's outstanding shares is as follows:

Year	NAVPS, end	Issuances	Redemptions	Balances
2015	\$0.9909	1,500,000	-	1,500,000
2016	\$1.0082	4,146,839	(124,808)	5,522,031
2017	\$1.1122	3,140,724	(740,711)	7,922,044
2018	\$1.0100	3,991,237	(5,962,768)	5,950,513
2019	\$1.1287	443,890	(400,791)	5,993,612
2020	\$1.2023	1,166,995	(760,567)	6,400,040
2021	\$1.1980	979,706	(1,399,367)	5,980,379
2022	\$0.9716	379,660	(947,592)	5,412,447
2023	\$1.0410	233,723	(1,270,706)	4,375,464
2024	\$1.0862	191,014	(699,792)	3,880,837

The total number of shareholders as at December 31, 2024, 2023 and 2022 are 776, 740, and 714, respectively.

### *Redeemable shares*

Redeemable shares carry one vote each, and are subject to the following:

a. Distribution of dividends

Each shareholder has a right to any dividends declared by the Company's Board of Directors and approved by 2/3 of its outstanding shareholders.

b. Denial of pre-emptive rights

No shareholder shall, because of his ownership of the shares, has a pre-emptive or other right to purchase, subscribe for, or take any part of shares or of any other securities convertible into or carrying options or warrants to purchase shares of the registrant.

c. Right of redemption

The holder of any share, upon its presentation to the Company or to any of its duly authorized representatives, is entitled to receive, by way of redemption, approximately his proportionate share of the Company's current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net assets value less any applicable sales charges and taxes.

**13. ADDITIONAL PAID IN CAPITAL**

Additional paid-in capital of \$6,256,977, \$6,257,459 and \$6,299,704 as at December 31, 2024, 2023 and 2022, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.

**14. NET ASSET VALUE PER SHARE (NAVPS)**

NAVPS is computed as follows:

	Note	2024	2023
Total equity		<b>\$4,214,777</b>	\$4,554,811
Outstanding shares	12	<b>3,880,837</b>	4,375,464
NAVPS		<b>\$1.0860</b>	\$1.0410

NAVPS is based on issued, outstanding and fully paid shares minus treasury shares. The expected cash outflow on redemption of these equity shares is equivalent to computed NAVPS as at reporting period.

**15. INTEREST INCOME**

This account consists of interest income on the following:

	Notes	2024	2023	2022
Fixed-income securities	7	<b>\$ 18,281</b>	\$ 14,973	\$16,969
Cash in banks	6	<b>14</b>	31	26
		<b>\$ 18,295</b>	\$ 15,004	\$16,995

Interest income is recorded gross of final withholding tax which is shown as "Income tax expense" account in the statements of comprehensive income.

Average interest rates of investments and cash in banks in 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Fixed-income securities	<b>4.19%</b>	3.32%	2.23%
Cash in banks	<b>0.01%</b>	0.03%	0.05%

**16. EARNINGS (LOSS) PER SHARE**

The calculation of the basic and diluted earnings (loss) per share is based on the following data:

	2024	2023	2022
Total comprehensive income (loss) for the year	<b>\$185,703</b>	\$326,417	(\$1,236,020)
Weighted average number of shares:			
Issued and outstanding	<b>4,109,473</b>	4,789,072	5,747,659
Basic earnings (loss) per share	<b>\$0.045</b>	\$0.068	(\$0.215)

As at December 31, 2024 and 2023, the Company has no potential dilutive ordinary shares.

## 17. FAIR VALUE OF FINANCIAL INSTRUMENTS

*Assets and liabilities measured at fair value on a recurring basis*

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value classified under level 1 based on the degree to which the inputs to fair value are observable.

	Note	Level 1
<b>December 31, 2024</b>		
Global mutual funds	7	<b>\$ 2,727,524</b>
Global exchange traded funds	7	<b>1,046,875</b>
Investments in fixed-income securities	7	<b>324,317</b>
		<b>\$ 4,098,716</b>
<b>December 31, 2023</b>		
Global mutual funds	7	\$ 3,115,179
Global exchange traded funds	7	903,590
Investments in fixed-income securities	7	443,389
		<b>\$ 4,462,158</b>

The fair value of fixed-income securities is based on quoted prices of either done deals or bid rates. Investments in mutual funds and global exchange traded funds are valued at their published NAVPS as at reporting date.

*Financial assets and liabilities not measured at fair value*

Cash in banks, accrued interest receivable, due to brokers, accrued expenses and other payables excluding withholding and documentary stamp taxes, and payable to fund manager have short-term maturities, hence, their carrying amounts are considered their fair values.

## 18. INCOME TAXES

Details of income tax expense are as follows:

	2024	2023	2022
MCIT	<b>\$450</b>	\$322	\$248
Final tax	<b>2</b>	201	218
	<b>\$452</b>	\$523	\$466

The reconciliation between income tax expense and the product of accounting profit multiplied by 25% in 2024, 2023 and 2022 is as follows:

	2024	2023	2022
Accounting profit (loss) before tax	<b>\$186,155</b>	\$326,940	(\$1,235,554)
Tax expense (benefit) at 25%	<b>46,539</b>	81,735	(\$308,889)
Adjustment for income subject to lower tax rate	<b>2</b>	(137)	(146)
Tax effects of:			
Unrecognized Net Operating Loss Carry-Over (NOLCO)	<b>18,286</b>	19,316	26,621
Unrecognized MCIT	<b>450</b>	322	248
Interest income subject to final tax	<b>(4)</b>	-	-
Changes in current tax expense due to the change in income tax rate	<b>-</b>	-	-
Net realized (gains) loss on investments	<b>(74,113)</b>	27,887	96,890
Net unrealized fair value (gains) loss on investments	<b>9,292</b>	(128,600)	185,742
	<b>\$ 452</b>	\$ 523	\$ 466

On March 26, 2021, the Republic Act (RA) 11534 also known as “Corporate Recovery and Tax Incentives for Enterprises Act” or “CREATE” Act was passed into law which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time-bound, targeted and performance-based.

Among others, the Act includes the following significant revisions:

1. Effective July 1, 2020, domestic corporations with total assets not exceeding P100 million and net taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% tax income tax rate;
2. Minimum corporate income tax (MCIT) rate is reduced to from 2% to 1% from July 1, 2020 to June 30, 2023;

The tax rate used in the reconciliations above is the corporate tax rate of 25% in 2023, 2022 and 2021 payable by the Company.

Details of the Company’s NOLCO from previous years are as follows (in Philippine Peso) :

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	2024 Balance
2022	2025	P5,943,293	P -	P -	<b>P5,943,293</b>
2023	2026	4,281,649	-	-	<b>4,281,649</b>
2024	2027	-	4,231,100	-	<b>4,231,100</b>
		P10,224,942	P4,231,100	P -	<b>P14,456,042</b>

Details of the Company’s NOLCO covered by Revenue Regulations (RR) No. 25-2020 is as follows (in Philippine Peso):

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	2024 Balance
2020	2025	P 6,177,820	P -	-	<b>P 6,177,820</b>
2021	2026	6,834,133	-	-	<b>6,834,133</b>
		P13,011,953	P -	-	<b>P13,011,953</b>

Pursuant to Section 4 COVID-19 Response and Recovery Interventions paragraph (bbbb) of Republic Act No. 11494 also known as “Bayanihan to Recover As One Act” and to RR No. 25-2020 of Bureau of Internal Revenue, the NOLCO incurred by the Company for taxable years 2021 and 2022 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

Details of MCIT are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied
2020	2023	P14,869	-	-	P14,869	<b>P -</b>
2021	2024	9,335	-	-	9,335	<b>-</b>
2022	2025	13,816	-	-	-	<b>13,816</b>
2023	2026	17,838	-	-	-	<b>17,838</b>
2024	2027	26,009	-	-	-	<b>26,009</b>
		P81,867	P -	P -	P24,204	<b>P57,663</b>

Deferred tax on NOLCO and MCIT was not recognized since Management believes that future taxable income will not be available against which the deferred tax asset can be utilized.

The Company’s interest income from cash in banks are already subjected to final tax therefore, excluded from the computation of taxable income subject to RCIT and MCIT.

Realized gains on redemption of investments in mutual funds and traded funds are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

**19. CONTINGENCIES**

The Company has no pending legal cases as at December 31, 2024 and 2023 that may have a material effect on the Company’s financial position and results of operations.

**20. FINANCIAL RISK MANAGEMENT**

The Company’s activities expose it to a variety of financial risks: market risk, which includes interest rate and equity price risks, credit risk and liquidity risk. The Fund Manager exerts best efforts to anticipate events that would negatively affect the value of the Company’s assets and takes appropriate actions to counter these risks. However, there is no guarantee that the strategies will work as intended. The policies for managing specific risks are summarized below.

Market risk

The Company’s activities expose it primarily to the financial risks of changes in interest rates and movements in NAVPS of investments in global exchange traded funds and mutual funds. The Company has insignificant exposure to foreign exchange risk since foreign currency denominated transactions are minimal. There has been no change on the manner in which the Company manages and measures these risks.

*Interest rate risk*

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest.

The primary source of the Company’s interest rate risk relates to cash in banks and fixed-income securities. The interest rates of these financial assets are disclosed in Notes 6, 7 and 15.

The risk is managed by the Fund Manager by actively monitoring the prevailing interest rate environment. The duration of the portfolio is reduced during periods of rising rates and widening credit spreads to maximize interest income potential. Conversely, the same is increased during periods of falling rates and narrowing credit spreads.

A 50 basis points increase or decrease in the interest rates had been determined for sensitivity analysis based on the exposure to interest rates for financial assets at FVTPL and loans receivables at the end of each reporting period. The same is used for reporting interest rate risk internally to key management personnel and represents Management’s assessment of the reasonable effect of the maximum possible movement in interest rates.

The following table details the increase or decrease in net profit if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2024, 2023 and 2022:

<b>Change in Interest Rates</b>	<b>Increase (Decrease) in Net Profit (Loss)</b>		
	<b>2024</b>	2023	2022
+50 basis	<b>(\$17,987)</b>	(\$30,672)	(\$29,008)
-50 basis	<b>19,814</b>	34,297	32,732

In Management’s opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### *Equity price risk*

The Company is exposed to equity price risks arising from investments in global exchange traded funds and mutual funds.

The risk is managed by the Fund Manager by actively monitoring the movements in NAVPS of investments in global exchange traded funds and mutual funds.

Based on the exposure to equity price risks at the end of each reporting period, if NAVPS of investments in global exchange traded funds and mutual funds had been 2% higher or lower, profit or loss for the years ended December 31, 2024, 2023 and 2022 would have increased or decreased by \$74,093, \$78,890, and \$93,001, respectively.

Other than interest and equity price risks discussed above, there are no other market risks which will significantly affect the Company's performance.

In Management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company aims to maintain an appropriate level of liquidity which means having sufficient liquidity to be able to meet all obligations promptly under foreseeable adverse circumstances, while not having excessive liquidity.

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash in banks, investments in mutual funds, and other collective schemes wholly invested in liquid/semi-liquid assets to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

The Fund Manager manages liquidity risks by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities. The table had been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

	Less than One Month	One Month to One Year	Total
<b>2024</b>			
Accrued expenses and other payables	<b>\$24,916</b>	<b>\$2,032</b>	<b>\$26,948</b>
Due to broker	-	-	-
Payable to fund manager	<b>6,131</b>	-	<b>6,131</b>
	<b>\$31,047</b>	<b>\$2,032</b>	<b>\$33,079</b>
<b>2023</b>			
Accrued expenses and other payables	\$ -	\$ 4,871	\$ 4,871
Due to broker	35,041	-	35,041
Payable to fund manager	6,891	-	6,891
	<b>\$41,932</b>	<b>\$ 4,871</b>	<b>\$ 46,803</b>

The difference between the carrying amount of accrued expenses and other payables disclosed in the statements of financial position and the amount disclosed in this note pertains to withholding and documentary stamp taxes that are not considered financial liabilities.

The following table details the Company's expected maturity for its financial assets. The table had been drawn up based on the contractual maturities of the financial assets including interest that will be earned on those assets, except when the Company anticipates that the cash flows will occur in a different period.

	Average Effective Interest Rate	Less than One Year	One to Five Years	Five to Ten Years	More than Ten Years	Total
<b>2024</b>						
Cash in banks	0.01%	\$146,123	\$ -	\$ -	\$ -	\$146,123
Financial assets at FVTPL	4.19%	14,273	57,090	239,566	310,985	621,914
Accrued interest receivable		3,740	-	-	-	3,740
		<b>\$164,136</b>	<b>\$57,090</b>	<b>\$239,566</b>	<b>\$310,985</b>	<b>\$771,777</b>
<b>2023</b>						
Cash in banks	0.03%	\$136,231	\$ -	\$ -	\$ -	\$ 136,231
Financial assets at FVTPL	3.32%	16,754	67,015	198,685	605,804	888,258
Accrued interest receivable		4,106	-	-	-	4,106
		\$157,091	\$67,015	\$198,685	\$605,804	\$1,028,595

The Company expects to meet its obligations from operating cash flows and proceeds from maturing financial assets and sale of financial assets at FVTPL.

## 21. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing returns to stakeholders through the optimization of the mix of high-quality debt and equity securities.

The Company is guided by its Investment Policies and Legal Limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid-in capital, is held by the pertinent custodian banks.

The capital structure of the Company consists of issued capital as disclosed in Note 12.

The Company manages capital and NAVPS, as disclosed in Notes 12, 13 and 14, to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

The Company is also governed by the following fundamental investment policies:

a. As a **Fund-of-Funds**, the Company shall be subject to the following:

- a. It shall invest more than fifty percent (50%) of net assets in more than one (1) collective investment scheme;
- b. The Target Fund shall not be a Feeder Fund;
- c. The Target Funds are CIS established by another fund manager/s, asset management company/ies or fund operator/s;
- d. The Target Fund shall provide ample protection to the investors of the Fund-of-Funds. If the Target Fund is a foreign fund, it shall have assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
- e. The Target Fund publishes Quarterly/Semi-Annual and Annual Reports;
- f. Investment limit of fifteen percent (15%) in non-collective investment scheme or entity;
- g. The investment objectives of the Target Fund is aligned with that of the Fund-of-Funds;
- h. The Fund-of-Funds is compliant with Rule 6.10 of the Implementing Rules and Regulations of the Investment Company Act;

- i. The Target Fund is supervised by a regulatory authority, as follows:
  - i. A local Target Fund shall either be registered with the Commission or approved by the Bangko Sentral ng Pilipinas;
  - ii. A Target Fund constituted in another economy shall be registered/authorize/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO
- j. Investments in Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority to act as third party custodian.
- b. It does not issue senior securities;
- c. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- d. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- e. It generally maintains a diversified portfolio. Asset class and geographic concentrations may vary at any time depending on the investment manager's view on the prospects;
- f. It does not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any;
- g. It does not purchase or sell commodity futures contracts;
- h. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
- i. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions;
- j. It may use various techniques to hedge investment risks; and
- k. It does not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

The Investment Policies refer to the following:

- a. Investment Objective – to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.
- b. Benchmark – 68% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 2% 30-Day US Dollar Deposit Savings Rate.
- c. Asset Allocation Range – the Company shall allocate its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.50% of the net assets on each valuation day.

In compliance with SEC Memorandum Circular No. 21, Series of 2019 signed on September 24, 2019 in relation to independent Net Asset Value (NAV) calculation, SLAMCI (Fund Manager) engaged Citibank, N.A. Philippines to service its fund accounting functions including calculation of its NAV every dealing day. In December 2020, SLAMCI implemented the outsourced fund accounting to all Sun Life Prosperity Funds.

As at December 31, 2024 and 2023, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

	<b>2024</b>	2023
Equity	<b>\$ 4,214,777</b>	\$ 4,554,811
Total assets	<b>4,248,579</b>	4,602,495
Equity ratio	<b>0.9920:1</b>	0.9896:1

**22. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NO. 15-2010**

The following information on taxes, duties and license fees paid or accrued during the 2024 taxable year is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

*Documentary stamp taxes*

Documentary stamp taxes incurred by the Company during 2024 amounted to P1,362 representing taxes in connection with the issuance of the Company's share certificates to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholders' investment for share certificate issuances in excess of ten (10) inter- fund transfers per calendar year.

*Other taxes and licenses*

Details of other taxes and licenses and permit fees paid and accrued in 2024 are as follows:

<b>Charged to Operating Expenses</b>	
MSCI license fee	<b>P 95,798</b>
Business tax	<b>48,336</b>
Registration and filing fees	<b>32,570</b>
Residence or community tax	<b>3,970</b>
	<b>P 180,674</b>

*Withholding taxes*

Withholding taxes paid and accrued and/or withheld consist of:

	Paid	Accrued	Total
Expanded withholding taxes	<b>P 364,773</b>	<b>P 39,012</b>	<b>P 403,785</b>

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2024.

**23. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements of the Company have been approved and authorized for issuance by the Board of Directors on March 25, 2025.

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