COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

A 1 9 9 9 0 8 7 1 1

Company Name

S U N   L I F E   O F   C A N A D A   P R O S P E R I T Y
P H I L I P P I N E   E Q U I T Y   F U N D   I N C .

Principal Office (No./Street/Barangay/City/Town)Province)

S U N L I F E   C E N T R E   5 T H   A V E .   C O R .
R I Z A L   D R I V E ,   B O N I F A C I O   G L O B A L
C I T Y ,   T A G U I G   C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	C R M D	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
sunlife_sec_communications@sunlife.com	8555-8888	0999-991-7178

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
67,360	Every Fourth Monday of June	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
JEANEMAR S. TALAMAN	Jeanemar.Talaman@sunlife.com	8555-8888	N/A

Contact Person's Address

SUN LIFE CENTRE, 5TH AVE. COR. RIZAL DRIVE, BONIFACIO GLOBAL CITY, TAGUIG CITY

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commimission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of teh new contact person designated

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Futher, non-receipt of Notice of Defeciencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Company Information

SEC Registration No.: A199908711
Company Name: SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND INC.
Industry Classification: J66910
Company Type: Stock Corporation

Document Information

Document ID: OST10415202583176164
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Annual
Remarks: None

Acceptance of this document is subject to review of forms and contents

Elyza Jane Endaya

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Company TIN: **204-843-965**

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Navarro Amper & Co.
19th Floor Six/NEO Building
5th Avenue corner 26th Street
Bonifacio Global City
1634 Taguig, Philippines

Tel: +63 2 8581 9000
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BOA/PRC Reg. No. 0004

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders
SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
(An Open-end Investment Company)
Sun Life Centre, 5th 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 of Canada Prosperity Philippine Equity 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.

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 21 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 audit 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 OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF FINANCIAL POSITION

		December 31	
	Notes	**2024**	2023
ASSETS			
Current Assets			
Cash and cash equivalents	**6**	**P 66,634,573**	P 217,758,051
Financial assets at fair value through profit or loss	**8**	**5,630,223,754**	6,377,796,549
Due from brokers	**10**	**2,501,274**	65,766,647
Accrued interest receivable	**7**	**-**	46,231
Dividends receivable	**8**	**1,616,237**	4,187,886
Other current assets		**740**	757
		P 5,700,976,578	P6,665,556,121
LIABILITIES AND EQUITY			
Current Liabilities			
Accrued expenses and other payables	**9**	**P 14,615,451**	P 31,766,662
Due to brokers	**10**	**-**	20,043,829
Payable to fund manager	**11**	**11,157,813**	12,526,350
Total Current Liabilities		**25,773,264**	64,336,841
Equity			
Share capital	**12**	**42,351,121**	42,351,121
Additional paid-in capital	**13**	**11,354,538,161**	11,461,954,969
Retained earnings		**3,740,087,882**	3,425,432,971
		15,136,977,164	14,929,739,061
Treasury shares	**12**	**(9,461,773,850)**	(8,328,519,781)
Total Equity		**5,675,203,314**	6,601,219,280
		P5,700,976,578	P6,665,556,121
Net Asset Value Per Share	**14**	**P 3.4950**	P 3.3643

See Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
(An Open-end Investment Company)

STATEMENTS OF COMPREHENSIVE INCOME

	Notes	For the Years Ended December 31 2024	2023	2022
Investment Income - net				
Net realized losses on investments	**8**	**(P 2,658,583)**	(P17,257,900)	(P121,936,382)
Dividend income	**8**	**170,922,239**	159,457,103	174,845,595
Interest income	**15**	**1,199,825**	8,730,025	2,531,510
Other income		**1,223**	281	2,379
		169,464,704	150,929,509	55,443,102
Investment Expenses				
Commissions	**10**	**7,759,640**	18,310,600	25,009,993
Clearing fees		**393,283**	717,013	1,007,363
		8,152,923	19,027,613	26,017,356
Net Investment Income		**161,311,781**	131,901,896	29,425,746
Operating Expenses				
Management and transfer fees	**11**	**82,921,405**	88,414,568	94,924,008
Distribution fees	**11**	**72,105,570**	76,882,233	82,530,644
Custodianship fees		**1,221,992**	1,352,593	1,603,634
Taxes and licenses		**1,056,442**	1,022,247	1,032,922
Directors' fees	**11**	**255,905**	255,740	255,379
Professional fees		**229,994**	213,948	194,498
Printing and supplies		**67,423**	27,936	29,358
Miscellaneous		**42,899**	43,261	58,122
		157,901,630	168,212,526	180,628,565
Profit (Loss) Before Net Unrealized Losses on Investments		**3,410,151**	(36,310,630)	(151,202,819)
Net Unrealized Gains (Losses) on Investments	**8**	**328,361,647**	49,097,045	(486,866,871)
Profit (Loss) Before Tax		**331,771,798**	12,786,415	(638,069,690)
Income Tax Expense	**18**	**17,116,887**	28,013,583	33,347,708
Total Comprehensive Income (Loss) for the Year		**P 314,654,911**	(P15,227,168)	(P671,417,398)
Basic Earnings (Loss) per Share	**16**	**P 0.178**	(P 0.007)	(P 0.312)
Diluted Earnings (Loss) per share	**16**	**P 0.178**	(P 0.007)	(P 0.312)

See Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
(An Open-end Investment Company)

STATEMENTS OF CHANGES IN EQUITY

		For the Years Ended December 31				
	Notes	**Share Capital**	**Additional Paid-in Capital**	**Retained Earnings**	**Treasury Shares**	**Total**
Balance, January 01, 2022		P42,351,121	P11,989,297,816	P4,112,077,537	(P8,304,827,559)	P7,838,898,915
Total Comprehensive Loss for the Year		-	-	(671,417,398)	-	(671,417,398)
Transactions with owners:						
Acquisition of treasury shares during the year		-	-	-	(952,791,224)	(952,791,224)
Reissuance of treasury shares during the year		-	(343,872,701)	-	1,358,437,960	1,014,565,259
Total transactions with owners		-	(343,872,701)	-	405,646,736	61,774,035
Balance, December 31, 2022	**12,13**	42,351,121	11,645,425,115	3,440,660,139	(7,899,180,823)	7,229,255,552
Total Comprehensive Loss for the Year		-	-	(15,227,168)	-	(15,227,168)
Transactions with owners:						
Acquisition of treasury shares during the year		-	-	-	(1,061,699,180)	(1,061,699,180)
Reissuance of treasury shares during the year		-	(183,470,146)	-	632,360,222	448,890,076
Total transactions with owners		-	(183,470,146)	-	(429,338,958)	(612,809,104)
Balance, December 31, 2023	**12,13**	42,351,121	11,461,954,969	3,425,432,971	(8,328,519,781)	6,601,219,280
Total Comprehensive Income for the Year		-	-	314,654,911	-	314,654,911
Transactions with owners:						
Acquisition of treasury shares during the year		-	-	-	(1,678,386,668)	(1,678,386,668)
Reissuance of treasury shares during the year		-	(107,416,808)	-	545,132,599	437,715,791
Total transactions with owners		-	(107,416,808)	-	(1,133,254,069)	(1,240,670,877)
Balance, December 31, 2024	12,13	**P42,351,121**	**P11,354,538,161**	**P3,740,087,882**	**(P9,461,773,850)**	**P5,675,203,314**

See Notes to Financial Statements.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.
(An Open-End Investment Company)

STATEMENTS OF CASH FLOWS

		For the Years Ended December 31		
	Notes	**2024**	2023	2022
Cash Flows from Operating Activities				
Profit (Loss) before tax		**P331,771,798**	P 12,786,415	(P638,069,690)
Adjustments for:				
Net unrealized losses (gains) on investments	**8**	**(328,361,647)**	(49,097,045)	486,866,871
Dividend income	**8**	**(170,922,239)**	(159,457,103)	(174,845,595)
Net realized losses on listed equity securities	**8**	**2,658,583**	17,257,900	121,936,382
Interest income	**15**	**(1,199,825)**	(8,730,025)	(2,531,510)
Operating cash flows before working capital changes		**(166,053,330)**	(187,239,858)	(206,643,542)
Decrease (Increase) in:				
Other current assets		**17**	(426)	(331)
Increase (Decrease) in:				
Accrued expenses and other payables		**(17,151,211)**	19,551,175	(295,233,012)
Payable to fund manager		**(1,368,537)**	(1,728,863)	(1,600,746)
Cash used in operations		**(184,573,061)**	(169,417,972)	(503,477,631)
Acquisitions of financial assets at fair value through profit or loss		**(1,973,269,954)**	(3,685,286,301)	(5,589,848,660)
Proceeds from disposal of financial assets at fair value through profit or loss		**3,089,767,357**	4,379,870,562	5,884,041,942
Interest received		**1,246,056**	8,720,550	4,867,088
Dividends received		**173,493,888**	157,464,449	175,854,747
Income taxes paid		**(17,116,887)**	(28,013,583)	(33,353,951)
Net cash generated from (used in) operating activities		**1,089,547,399**	663,337,705	(61,916,465)
Cash Flows from Financing Activities				
Proceeds from reissuance of treasury shares	**12,13**	**437,715,791**	448,890,076	1,014,565,259
Payments on acquisition of treasury shares	**12**	**(1,678,386,668)**	(1,061,699,180)	(952,791,224)
Net cash generated from (used in) financing activities		**(1,240,670,877)**	(612,809,104)	61,774,035
Net Increase (Decrease) in Cash and Cash Equivalents		**(151,123,478)**	50,528,601	(142,430)
Cash and Cash Equivalents, Beginning		**217,758,051**	167,229,450	167,371,880
Cash and Cash Equivalents, End	**6**	**P 66,634,573**	P 217,758,051	P 167,229,450

See Notes to Financial Statements.

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 of Canada Prosperity Philippine Equity Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 17, 2000 and started commercial operations on May 1, 2000. 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). It is engaged in the sale of redeemable shares and is designed to generate long-term capital appreciation through investments in diversified high-quality equity securities across sectors and issue sizes to provide portfolio volatility. 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 provides management, distribution and all required operational services, as disclosed in Note 11.

The Company's registered office address and principal place of business is at the 2nd Floor, Sun Life Centre, 5th 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 Revise 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 67,360 shareholders and 66,920 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.

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 Philippine peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, 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).

<u>Debt instruments</u>

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 group 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 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.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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, but is transferred to retained earnings.

Financial Liabilities and Equity Instruments

<u>Financial liabilities</u>

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'.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (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) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Company's financial liabilities classified under this category include accrued expenses and other payables, due to brokers and payable to fund manager.

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.

<u>Equity instruments</u>

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

Retained earnings represent accumulated profit (loss) attributable to equity holders of the Company after deducting dividends declared. Retained earnings (deficit) 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.

<u>Dividend income</u>

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.

<u>Interest income</u>

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.

<u>Realized gains or losses</u>

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.

<u>Fair value gains or losses</u>

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

<u>Other income</u>

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 which include commission and clearing fees. 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. In 2024, The Company's current tax expense is calculated using 25% regular corporate income tax (RCIT) rate. In 2023, 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.

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 deposits for future share subscriptions 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 are 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 P5,630,223,754 and P6,377,796,549, respectively as disclosed in Note 8, and financial assets measured at amortized cost amounted to P70,752,085 and P287,760,988, respectively, composed of cash in banks and cash equivalents, due from brokers, accrued interest receivable and dividends receivable as disclosed in Notes 6, 10, 7, and 8, respectively.

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. 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 P42,351,121, 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 asset

The Company reviews the carrying amount at the end of each reporting period and reduces deferred tax asset 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 asset 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 asset to be utilized.

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

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

The Company carries its investments in traded debt securities at fair value, which requires 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 fixed income securities classified as financial assets at FVTPL amounted to nil, respectively, as disclosed in Note 8.

6. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash in banks	**P 66,634,574**	P 91,673,064
Cash equivalents	**-**	126,084,987
	P 66,634,574	P 217,758,051

Total interest earned from cash in banks amounting to P161,503, P167,495 and P278,991 at average rates of 0.20%, 0.11% and 0.07% in 2024, 2023 and 2022, respectively, as disclosed in Note 15.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition.

Cash equivalents earned interest amounting to P1,038,322, P8,562,530 and P1,858,658 at average rates of 1.65%, 7.57% and 3.71% in 2024, 2023 and 2022, respectively, as disclosed in Note 15. Accrued interest receivable amounted to nil and P46,231 as at December 31, 2024 and 2023, respectively, as disclosed in Note 7.

7. ACCRUED INTEREST RECEIVABLE

This account consists of accrued interest on the following:

	Note	**2024**	2023
Cash equivalents	6	**P -**	P 46,231

Collection of interest depends on the scheduled interest payments of each asset held.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of:

	2024	2023
Investments in listed equity securities	**P 5,630,223,754**	P6,377,796,549

Investments in listed equity shares are composed of ordinary shares.

The Company recognized dividend income from investments in listed equity securities amounting to P170,922,239, P159,457,103 and P174,845,595 in 2024, 2023 and 2022, respectively. Dividends receivable amounted to P1,616,237 and P4,187,886 as at December 31, 2024 and 2023, respectively.

Interest income earned on fixed-income securities amounted to nil, nil and P393,861 in 2024, 2023 and 2022, respectively, as disclosed in Note 15. Accrued interest receivable amounted to nil as at December 31, 2024 and 2023, respectively.

Average rates earned on these investments are also disclosed in Note 15.

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

	2024	2023	2022
Net realized losses on investments in:			
Listed equity securities	**(P2,658,583)**	(P17,257,900)	(P120,986,008)
Fixed-income securities	**-**	-	(950,374)
	(P2,658,583)	(P17,257,900)	(121,936,382)
Net unrealized gains (losses) on investments in:			
Listed equity securities	**328,361,647**	49,097,045	(486,866,871)
Fixed-income securities	**-**	-	-
	328,361,647	49,097,045	(486,866,871)
	P325,703,064	P31,839,145	(P608,803,253)

Net gains and losses on investments in equity securities are composed of listed equity shares and mutual funds while fixed-income securities are composed of treasury notes.

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

	2024	**2023**	**2022**
Balance, January 1	**P6,377,796,550**	P7,071,241,341	P8,007,230,516
Additions	**1,953,226,125**	3,652,645,636	5,624,563,656
Disposals	**(3,029,160,568)**	(4,395,187,473)	(6,071,175,668)
Unrealized gains (losses)	**328,361,647**	49,097,045	(489,377,163)
Balance, December 31	**P5,630,223,754**	P6,377,796,549	P7,071,241,341

9. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2024	2023
Due to investors	**P13,394,827**	P30,348,421
Withholding and documentary stamp taxes	**1,006,208**	1,103,221
Custodian fees	**63,400**	101,072
Professional fees	**119,420**	213,948
Others	**31,596**	-
	P14,615,451	P31,766,662

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 three days after the transaction date. Other payables are non-interest bearing and are normally settled within one year.

10. DUE FROM/TO BROKERS

Due from brokers account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.

Due from brokers amounted to P2,501,274 and P65,766,647 as at December 31, 2024 and 2023, respectively.

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 amounted to nil and P20,043,829 as at December 31, 2024 and 2023, respectively.

Counterparties to the contract are not allowed to offset payable and receivable arising from the purchase and sale of investments.

Commissions are paid to brokers when buying and selling shares of stock. Commission expenses amounting to P7,759,640, P18,310,600 and P25,009,993 were incurred in 2024, 2023 and 2022, respectively.

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 and amounts of transactions with related parties are set out below:

Nature of Transaction	Transactions During the Year			Outstanding Payable		Terms	Condition	Note
	2024	2023	2022	**2024**	2023			
SLAMCI - Fund Manager								
Management, Distribution and Transfer fees	**P155,026,975**	P165,296,801	P177,454,652	**P11,157,813**	P12,526,350	Non-interest bearing; 2.15% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel								
Directors' fees	**P255,905**	P255,740	P255,379	**-**	**-**	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed	b

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

a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 2% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day.

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 P155,026,975, P165,296,801 and P177,454,652, respectively. Accrued management fees as at December 31, 2024 and 2023 amounting to P11,157,813 and P12,526,350, respectively, are shown as "Payable to Fund Manager" in the statements of financial position.

b. Remuneration of Directors

Remuneration of directors presented in the statements of comprehensive income under "Directors' Fees" account amounted to P255,905, P255,740 and P255,379 in 2024, 2023 and 2022, respectively, which are usually paid to Directors based on the 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 key 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.

12. EQUITY

Movements are as follows:

	2024		2023		2022	
	Shares	**Amount**	Shares	Amount	Shares	Amount
Authorized:						
At P0.01 par value	**4,500,000,000**	**P 45,000,000**	4,500,000,000	P 45,000,000	4,500,000,000	P 45,000,000
Fully paid:						
At January 1	**4,235,112,117**	**P 42,351,121**	4,235,112,117	P 42,351,121	4,235,112,117	P 42,351,121
At December 31	**4,235,112,117**	**P 42,351,121**	4,235,112,117	P 42,351,121	4,235,112,117	P 42,351,121
Treasury shares:						
At January 1	**2,272,971,193**	**P 8,328,519,781**	2,091,954,072	P7,899,180,823	2,109,755,862	P8,304,827,559
Acquired during the year	**459,695,034**	**1,678,386,668**	315,141,783	1,061,699,180	276,274,830	952,791,224
Reissuance	**(121,352,045)**	**(545,132,599)**	(134,124,662)	(632,360,222)	(294,076,620)	(1,358,437,960)
At December 31	**2,611,314,182**	**P 9,461,773,850**	2,272,971,193	P8,328,519,781	2,091,954,072	P7,899,180,823

Fully paid ordinary shares with a par value of P0.01 carry one vote per share and carry a right to dividends.

Incorporation

The Company was incorporated on January 17, 2000 with 200,000,000 authorized shares at an initial par value of P1.00 per share.

Approved changes

On May 13, 2005 and February 17, 2006, the Board of Directors and shareholders, respectively, approved the reduction in the par value per share from P1.00 to P0.01.

On May 19, 2006, 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 P0.01 per share.

On April 24, 2007, the Board of Directors approved the first tranche of share capital increase by 1,000,000,000 (from 200,000,000 shares to 1,200,000,000 shares both with par value of P0.01). The SEC approved the increase including the Company's request to reduce the par value of its shares from P1.00 to P0.01 on October 14, 2008 and the registration statements on November 24, 2008.

On December 18, 2009, the Board of Directors approved the second tranche of share capital increase by 1,800,000,000 shares (from 1,200,000,000 shares to 3,000,000,000 shares both with par value of P0.01). The SEC approved the increase on May 10, 2013 and the registration statements on February 28, 2014.

On March 22, 2013, the Board of Directors approved the third tranche of the share capital increase by 1,500,000,000 (from 3,000,000,000 shares to 4,500,000,000 shares both with par value of P0.01). The SEC approved the increase on January 17, 2014 and the registration statements on June 16, 2014.

Current state

As at December 31, 2024, the Company has 1,623,797,935 issued and outstanding shares out of 4,500,000,000 authorized shares with a par value of P0.01 per share.

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

Year	NAVPS, end	Transfers	Issuances	Redemptions	Balances
2010	P2.6116	-	2,449,042,692	(1,449,168,122)	1,199,874,291
2011	P2.6863	-	1,730,317,113	(1,731,140,195)	1,199,051,209
2012	P3.5721	-	585,607,210	(584,670,667)	1,199,987,752
2013	P3.4709	1,800,000,000	312,677,379	(312,687,498)	2,999,977,633
2014	P4.0878	1,235,112,117	1,187,460,423	(1,430,627,986)	3,991,922,187
2015	P3.8228	-	1,371,571,146	(1,264,241,712)	4,099,251,621
2016	P3.7454	-	618,813,342	(1,348,612,225)	3,369,452,738
2017	P4.5802	-	487,767,966	(1,161,718,835)	2,695,501,869
2018	P4.0589	-	319,981,632	(446,974,564)	2,568,508,937
2019	P4.2091	-	250,747,949	(585,648,425)	2,233,608,461
2020	P3.6239	-	343,434,421	(386,220,618)	2,190,822,264
2021	P3.6883	-	335,675,002	(401,141,011)	2,125,356,255
2022	P3.3732	-	294,076,620	(276,274,830)	2,143,158,045
2023	P3.3643	-	134,124,662	(315,141,783)	1,962,140,924
2024	P3.4950	-	121,352,045	(459,695,034)	1,623,797,935

The total number of shareholders as at December 31, 2024, 2023 and 2022 are 67,360, 66,920 and 66,398, 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, have 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 P11,354,538,161, P11,461,954,969 and P11,645,425,115 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)

Net Asset Value Per Share is computed as follows:

	Note	**2024**	2023
Total equity		**P 5,675,203,314**	P6,601,219,280
Outstanding shares	12	**1,623,797,935**	1,962,140,924
NAVPS		**P 3.4950**	P 3.3643

NAVPS is based on issued, outstanding and fully paid shares minus treasury shares. The expected cash outflow on redemption of these 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
Cash equivalents	6	**P 1,038,322**	8,562,530	P1,858,658
Fixed-income securities	8	-	-	393,861
Cash in banks	6	**161,503**	167,495	278,991
		P1,199,825	P8,730,025	P2,531,510

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 cash in banks, cash equivalents, special savings deposit and fixed-income securities in 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Fixed-income securities	**0.00%**	0.00%	4.88%
Cash equivalents	**1.65%**	7.57%	3.71%
Cash in banks	**0.20%**	0.11%	0.07%

Interest income earned on financial assets, analyzed by category, is as follows:

	Notes	2024	2023	2022
Cash and cash equivalents	6	**P 1,199,825**	P8,730,025	P2,137,649
Financial assets at FVTPL	8	**-**	-	393,861
		P 1,199,825	P8,730,025	P2,531,510

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	**P 314,654,911**	P (15,227,168)	(P671,417,398)
Weighted average number of shares: Issued and outstanding	**1,767,813,041**	2,056,514,677	2,153,938,934
Basic earnings (loss) per share	**P 0.178**	(P 0.007)	(P 0.312)

As at December 31, 2024, 2023 and 2022, the company has no dilutive potential 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
December 31, 2024		
Investments in listed equity securities	8	**P5,630,223,754**
December 31, 2023		
Investments in listed equity securities	8	P6,377,796,549

Listed equity securities are valued at quoted prices as at reporting date.

There are no transfers from Level 1 to Level 2 as at December 31, 2024 and 2023.

Financial assets and liabilities not measured at fair value

Cash in banks, cash equivalents, due from brokers, accrued interest receivable, dividends 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
Final tax	**P17,116,870**	P28,013,582	P33,345,980
MCIT	**17**	1	1,728
	P17,116,887	P28,013,583	P33,347,708

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by 25% in 2024, 2023 and 2022 are as follows:

	2024	2023	2022
Accounting profit (loss)	**P331,771,798**	P12,786,415	(P638,069,690)
Tax expense (benefit) at 25% in 2023, 2022 and 2021	**82,942,950**	3,196,604	(159,517,423)
Adjustment for income subject to lower tax rate	**16,816,914**	25,831,076	32,768,311
Tax effects of:			
Net realized losses (gains) on investments	**664,646**	4,314,475	30,484,096
Net unrealized losses (gains) on investments	**(82,090,412)**	(12,274,261)	121,716,718
Unrecognized net operating loss carry-over (NOLCO)	**41,513,332**	46,809,964	51,605,677
Dividend income exempt from tax	**(42,730,560)**	(39,864,276)	(43,711,399)
Unrecognized MCIT	**17**	1	1,728
	P17,116,887	P28,013,583	P33,347,708

On March 26, 2022, 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 2024, 2023 and 2022 payable by the Company.

Details of the Company's NOLCO from previous years are as follows:

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	**2024 Balance**
2022	2025	P 206,422,709	P -	P -	**P206,422,709**
2023	2026	187,239,858	-	-	**187,239,858**
2024	2027	-	166,053,330	-	**166,053,330**
		P 393,662,567	P 166,053,330	P -	**P559,715,897**

Details of the Company's NOLCO covered by Revenue Regulation (RR) No. 25-2020 is as follows:

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	**2024 Balance**
2020	2025	P192,437,988	P -	P -	**P192,437,988**
2021	2026	214,465,478	-	-	**214,465,478**
		P406,903,466	P -	P -	**P406,903,466**

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:

Year Incurred	Year of Expiry	Amount	Applied Previous Year	Applied Current Year	Expired	Effects of changes in tax rate	Unapplied
2019	2022	P21,485	P -	P -	(P21,485)	P -	P -
2020	2023	51,655	-	-	(51,655)	-	-
2021	2024	29,441	-	-	(29,441)	-	-
2022	2025	1,728	-	-	-	-	1,728
2023	2026	1	-	-	-	-	1
2024	2027	17	-	-	-	-	17
		P104,327	P -	P -	(P102,581)	-	P1,746

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

The Company's interest income arising from cash in banks, special savings deposits, certain fixed-income securities and realized gains on sale of listed equity securities are already subjected to final tax and are therefore excluded from the computation of taxable income subject to RCIT or MCIT.

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

19. 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, prices of equity securities in the stock market and movements in the NAVPU of investments in mutual funds. There has been no change on the manner in which the Company manages and measures the risk.

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 and cash equivalents, special savings deposits and fixed-income securities. Interest rates of these financial assets are disclosed in Notes 6, 8 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 and 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 rate had been 50 basis points higher or lower and all other variables are held constant, the Company's profit or loss for the years ended 2024, 2023 and 2022 would have increased or decreased by:

Change in Interest rates	Increase (Decrease) in Net Profit (Loss)		
	2024	2023	2022
+50 basis	**P850,058**	P850,058	P652,818
-50 basis	**(850,058)**	(850,058)	(652,818)

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 listed equity securities and investments in mutual funds. Investments in listed equity securities could either be held for strategic or trading purposes.

The risk is managed by the Fund Manager by actively monitoring the domestic equity market and movements in NAVPS of investments in mutual funds. Portfolios are traded based on a combination of regularly-carried out fundamental and technical analyses of stock prices.

Based on the exposure to equity price risks at the end of each reporting period, if equity prices and NAVPU of investments in 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 P109,892,959, P124,484,384 and P138,019,317, respectively.

Other than interest and equity price risks discussed above, there are no other market risks which 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.

<u>Credit risk</u>

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing only with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults and transacts only with entities that are rated with the equivalent of investment grade of "High" down to "Low". This information is supplied by independent rating agencies, when available. If the information is not available, the Company uses other publicly available financial information and its own trading records to rate its major counterparties.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread among approved counterparties.

The table below summarizes the current internal credit rating equivalence system of the Company.

Summary rating	S&P rating	Internal credit rating
High	AAA	AAA
High	AA	AA- to AA+
High	A	A- to A+
High	BBB	BBB- to BBB+
Satisfactory	BB	BB- to BB+
Acceptable	B	B- to B+
Low	CCC/C	CCC- to CCC+

The carrying amount of cash in banks and due from related party recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company determined that the credit quality of cash in bank and due from related party as high grade and low credit risk investments. Therefore, no ECL is recognized for these financial assets.

Liquidity risk

Liquidity risk arises when the Company encounters 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 and cash equivalents, special savings deposits, listed equity securities, accrual of interest receivable and dividend receivable 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 risk 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.

	Notes	Less than One Month	One Month to One Year	Total
2024				
Accrued expenses and other payables	9	**P 13,394,827**	**P 214,416**	**P 13,609,243**
Due to brokers	10	**-**	**-**	**-**
Payable to fund manager	11	**11,157,813**	**-**	**11,157,813**
		P 24,552,640	**P 214,416**	**P 24,767,056**

2023				
Accrued expenses and other payables	9	P30,348,421	P315,020	P30,663,441
Due to brokers	10	20,043,829	-	20,043,829
Payable to fund manager	11	12,526,350	-	12,526,350
		P62,918,600	P315,020	P63,233,620

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
2024			
Cash in banks	**0.20%**	**P**	**66,634,574**
Cash equivalents	**1.65%**		**-**
Due from brokers			**2,501,274**
Dividends receivable			**1,616,237**
Accrued interest receivable			**-**
		P	**70,752,085**
2023			
Cash in banks	0.11%	P	91,673,065
Cash equivalents	7.57%		126,084,987
Due from brokers			65,766,647
Dividends receivable			4,187,886
Accrued interest receivable			46,231
		P	287,758,816

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

20. CAPITAL RISK MANAGEMENT

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

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 Fund Manager manages the Company's 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. It does not issue senior securities;

b. 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;

c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;

d. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;

e. 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;

f. It does not purchase or sell commodity futures contracts;

g. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions; and

h. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.

i. It may use various techniques to hedge investment risks; and

j. 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 generate long-term capital appreciation through investment in high-quality equity securities diversified across sectors and issue sizes to provide moderate portfolio volatility.

b. Benchmark – the fund's performance is measured against 98% PSE Index and 2% Philippine Peso TD Rate 1 month to 3 months, net of tax.

c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes 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 2% of the net assets attributable to shareholders 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.

The equity ratio at the year-end is as follows:

	2024	2023
Equity	**P 5,675,203,314**	P 6,601,219,280
Total assets	**5,700,976,579**	6,665,556,121
Equity ratio	**0.9955:1**	0.9903:1

Management believes that the above ratios are within the acceptable range.

21. 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 are not a required part of the basic financial statements.

Documentary stamp tax

Documentary stamp taxes incurred by the Company during 2024 amounted to P313,914 representing taxes in connection with the issuance of the Company's stock certificates to its shareholders. The documentary stamp tax paid by the Company to the BIR includes those charged against the shareholder's investment for stock 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 or accrued in 2024 are as follows:

Charged to Operating Expenses	
Business tax	**P 672,001**
Filing and registration fees	**34,575**
Residence or community tax	**10,500**
Others	**25,452**
	P 742,528

Withholding taxes

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

	Paid	Accrued	Total
Expanded withholding taxes	**P11,563,168**	**P979,455**	**P12,542,623**

Deficiency tax assessments

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

22. 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.

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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