

**From:** [sunlife\\_sec\\_communications](mailto:sunlife_sec_communications)  
**To:** [ICTD Submission](#)  
**Cc:** [CGFD LD; Jeanemar Talaman; PHIL-FIN FAR2](#)  
**Subject:** CGFD\_Sun Life Prosperity Peso Starter Fund, Inc.\_SEC Form 17-Q\_19August2024  
**Date:** Monday, August 19, 2024 7:16:01 PM  
**Attachments:** [Sun Life Prosperity Peso Starter Fund, Inc. SEC Form 17-O 19August2024.pdf](#)

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To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Pursuant to Section 17 of the Securities Regulation Code, we submit the attached SEC Form 17-Q Interim Report as of June 30, 2024 of Sun Life Prosperity Peso Starter Fund, Inc. Please let me know once you receive this e-mail and its attachment.

For any queries / additional comments, kindly contact us at the following e-mail addresses below.

Official email address: [sunlife\\_sec\\_communications@sunlife.com](mailto:sunlife_sec_communications@sunlife.com)

Alternative email address: [sunlife\\_sec\\_communications2@sunlife.com](mailto:sunlife_sec_communications2@sunlife.com)

Official email address of authorized filer: [mariel.javal@sunlife.com](mailto:mariel.javal@sunlife.com)

Thank you.

**Mariel T. Javal** | Financial Accounting & Reporting | Finance

T: 632 8555 8888 | E:

5F Sun Life Centre, Fifth Ave. cor. Rizal Drive, Bonifacio Global City, Taguig 1634



Life's brighter under the sun

**From:** [ICTD Submission](#)  
**To:** [sunlife\\_sec\\_communications](#)  
**Subject:** Re: CGFD\_Sun Life Prosperity Peso Starter Fund, Inc.\_SEC Form 17-Q\_19August2024  
**Date:** Monday, August 19, 2024 7:16:18 PM

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CAUTION This email originated from outside the organization. Please proceed only if you trust the sender.

Thank you for reaching out to [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)!

Your submission is subject for Verification and Review of the Quality of the Attached Document only for Secondary Reports. The Official Copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 7 working days via order through the SEC Express at <https://secexpress.ph/>. For further clarifications, please call (02) 8737-8888.

----- NOTICE TO  
COMPANIES -----

Please be informed of the reports that shall be filed only through [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph).

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF

2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.



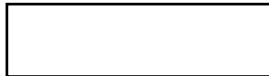
**Sun Life**  
Asset Management

## Certification


I, Jeanemar S. Talaman, the Treasurer of Sun Life Asset Management Company, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number A199918034 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

- 1) That I have caused this SEC Form 17-Q to be prepared on behalf of Sun Life Prosperity Funds (17 Mutual Fund Companies):
  - i. Sun Life of Canada Prosperity Bond Fund, Inc.
  - ii. Sun Life of Canada Prosperity Balanced Fund, Inc.
  - iii. Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
  - iv. Sun Life Prosperity Dollar Advantage Fund, Inc.
  - v. Sun Life Prosperity Peso Starter Fund, Inc.
  - vi. Sun Life Prosperity Dollar Abundance Fund, Inc.
  - vii. Sun Life Prosperity GS Fund, Inc.
  - viii. Sun Life Prosperity Dynamic Fund, Inc.
  - ix. Sun Life Prosperity Philippine Stock Index Fund, Inc.
  - x. Sun Life Prosperity Dollar Wellspring Fund, Inc.
  - xi. Sun Life Prosperity World Voyager Fund, Inc.
  - xii. Sun Life Prosperity Dollar Starter Fund, Inc.
  - xiii. Sun Life Prosperity Achiever Fund 2028, Inc.
  - xiv. Sun Life Prosperity Achiever Fund 2038, Inc.
  - xv. Sun Life Prosperity Achiever Fund 2048, Inc.
  - xvi. Sun Life Prosperity World Equity Index Feeder Fund, Inc.
  - xvii. Sun Life Prosperity World Income Fund, Inc.
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the companies Sun Life Asset Management Company, Inc. and Sun Life Prosperity Funds will comply with the requirements set forth in SEC Notice dated 14 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 15<sup>th</sup> day of August, 2024.

  
Jeanemar S. Talaman  
Affiant

SUBSCRIBED AND SWORN to before me this **AUG 15 2024**, 2024, in **MAKATI CITY** City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Valid Until	Place of Issue
Jeanemar S. Talaman			

Doc. No. 398  
Page No. 87  
Book No. 36  
Series of 2024.

**ATTY ROMEO M MONFORT**  
Notary Public City of Makati  
Until December 31 2025  
Appointment No. M-812 (2024-2025)  
PTR No. 10073908 Jan. 2 2024 Makati City  
ISP No. 391330- Jan. 3 2014 Pasig / Roll No. 27937  
MCLE NO. VII-0027570 Issued April 3, 2023  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

# COVER SHEET

**CS200403363**

S.E.C. Registration Number

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

S	U	N	L	I	F	E	C	E	N	T	R	E	5	T	H	A	V	E	C	O	R	N	E	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											

( Business Address : No. Street City / Town / Province )

**Jeanemar S. Talamán**  
Contact Person

**8555-8888**  
Company Telephone Number

1	2
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*Month*

3	1
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*Day*

Fiscal Year

**SEC FORM 17-Q**  
FORM TYPE

--	--

*Month*

--	--

*Day*

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

--

Total No. of Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

\_\_\_\_\_ LCU

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Document I.D.

\_\_\_\_\_ Cashier

[----- STAMPS -----]

Remarks = pls. use black ink for scanning purposes

SEC Number: CS200403363

File Number: \_\_\_\_\_

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**

(Company's Full Name)

**8<sup>th</sup> Floor Sun Life Centre 5<sup>th</sup> Avenue cor Rizal Drive Bonifacio Global City, Taguig City, Philippines**

-----  
(Company's Address)

**8555-8888**

-----  
(Telephone No.)

**December 31**

-----  
(Fiscal Year Ending)  
(Month & Day)

**SEC FORM 17-Q**

-----  
Form Type

-----  
Amendment Designation (If applicable)

**June 30, 2024**

-----  
Period Ended Date

**OPEN-END INVESTMENT COMPANY**

-----  
Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: June 30, 2024
2. Commission identification number: CS200403363
3. BIR Tax Identification No: 230-320-863-000
4. Exact name of issuer as specified in its charter

Sun Life Prosperity Peso Starter Fund, Inc.

5. Province, country or other jurisdiction of incorporation or organization  
Philippines
6. Industry Classification Code:  
(SEC Use Only)

7. Address of issuer's principal office: Postal Code

8<sup>th</sup> Floor Sun Life Centre 5<sup>th</sup> Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

8. Issuer's telephone number, including area code: (02) - 8555-8888
9. Former name, former address and former fiscal year, if changed since last report: N.A.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of June 30, 2024)
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<u>Common Shares (Unclassified)</u>	<u>11,589,088,791 shares</u>
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11. Are any or all of the securities listed on a Stock Exchange?

Yes [ ] No [x]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

\_\_\_\_\_

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

**PART A - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2024 AND DECEMBER 31, 2023**

		(Unaudited)	(Audited)
	Notes	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	<b>P 5,319,846,502</b>	P 4,058,845,980
Financial assets at fair value through profit or loss	5	<b>5,825,220,886</b>	4,695,176,007
Financial assets at amortized cost - current portion	6	<b>3,206,474,150</b>	8,600,033,113
Accrued interest receivable	7	<b>166,861,738</b>	215,967,910
Other current assets	8	<b>1,424,320</b>	26,325
<b>Total Current Assets</b>		<b>14,519,827,596</b>	17,570,049,335
<b>Non-current Assets</b>			
Financial assets at amortized cost - net of current portion	6	<b>1,810,323,949</b>	3,285,501,818
Deferred tax assets	9	<b>15,524,060</b>	16,363,590
<b>Total Noncurrent Assets</b>		<b>1,825,848,009</b>	3,301,865,408
		<b>P16,345,675,605</b>	P20,871,914,743
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	10	<b>P 132,638,563</b>	P 107,526,993
Payable to fund manager	11	<b>5,301,701</b>	7,299,229
Income tax payable		<b>2,524,543</b>	3,117,404
<b>Total Current Liabilities</b>		<b>140,464,807</b>	117,943,626
<b>Equity</b>			
Share capital	12	<b>199,999,995</b>	199,999,995
Additional paid-in capital	13	<b>19,354,732,067</b>	19,356,410,925
Retained earnings		<b>8,222,817,394</b>	7,926,603,815
		<b>27,777,549,456</b>	27,483,014,735
Treasury shares	12	<b>(11,572,338,658)</b>	(6,729,043,618)
<b>Total Equity</b>		<b>16,205,210,798</b>	20,753,971,117
		<b>P16,345,675,605</b>	P20,871,914,743
<b>Net Asset Value Per Share</b>	14	<b>P 1.3983</b>	P 1.3757
<b>Total Equity</b>		<b>P 16,205,210,798</b>	P 20,753,971,117
Capital Stock - Php0.01 per share			
Authorized - 20,000,000,000 shares			
Total number of shares outstanding		<b>11,589,088,791</b>	15,086,334,187
Subscribed capital stock		-	-
<b>Total number of shares</b>		<b>11,589,088,791</b>	15,086,334,187
<b>Net Asset Value Per Share</b>	14	<b>P 1.3983</b>	P 1.3757

See Notes to Financial Statements.

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

		(Unaudited)	(Unaudited)
	Notes	2024	2023
<b>Investment Income - net</b>			
Interest income	15	<b>P250,178,129</b>	P711,043,944
Net realized gains (losses) on investments	5	<b>(275,332)</b>	45,564,202
		<b>249,902,797</b>	756,608,146
<b>Operating Expenses</b>			
Management and transfer fees	11	<b>27,720,777</b>	62,443,259
Distribution fees	11	<b>12,600,353</b>	28,383,299
Reversal of expected credit losses		<b>(3,358,119)</b>	(12,827,570)
Taxes and licenses		<b>1,641,181</b>	2,353,610
Custodianship fees		<b>503,008</b>	2,553,229
Printing and supplies		<b>206,274</b>	211,957
Directors' fees	11	<b>130,013</b>	129,786
Professional fees		<b>111,456</b>	279,820
Miscellaneous	16	<b>181,335</b>	94,741
		<b>39,736,278</b>	83,622,131
<b>Profit Before Net Unrealized Gains on Investments</b>		<b>210,166,519</b>	672,986,015
<b>Net Unrealized Gains on Investments</b>	5	<b>130,044,867</b>	10,214,011
<b>Profit Before Tax</b>		<b>340,211,386</b>	683,200,026
<b>Income Tax Expense</b>		<b>43,997,807</b>	128,567,134
<b>Total Comprehensive Income for the Period</b>		<b>P 296,213,579</b>	P554,632,892
<b>Basic Earnings per Share</b>	17	<b>P 0.023</b>	P 0.028

See Notes to Financial Statements.

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	(Unaudited)	(Unaudited)
	2024	2023
<b>Investment Income - net</b>		
Interest income	<b>P115,103,450</b>	P334,762,025
Net realized gains (losses) on investments	<b>(1,244,675)</b>	54,812,483
	<b>113,858,775</b>	389,574,508
<b>Operating Expenses</b>		
Management fees	<b>13,089,554</b>	28,092,073
Distribution fees	<b>5,949,797</b>	12,769,123
Provision for expected credit losses	<b>(2,036,236)</b>	(8,952,772)
Taxes and licenses	<b>860,720</b>	1,155,447
Custodianship fees	<b>144,385</b>	10,017
Printing and supplies	<b>107,616</b>	106,422
Directors' fees	<b>65,007</b>	64,780
Professional fees	<b>58,149</b>	140,496
Miscellaneous	<b>11,578</b>	16,651
	<b>18,250,570</b>	33,402,237
<b>Profit Before Net Unrealized Gains (losses) on Investments</b>	<b>95,608,205</b>	356,172,271
<b>Net Unrealized Gains (Losses) on Investments</b>	<b>70,349,976</b>	(25,828,626)
<b>Profit Before Tax</b>	<b>165,958,181</b>	330,343,645
<b>Income Tax Expense</b>	<b>20,530,511</b>	60,462,869
<b>Total Comprehensive Income for the Period</b>	<b>P 145,427,670</b>	P269,880,776
<b>Basic Earnings per Share</b>	<b>P 0.012</b>	P 0.014

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	Notes	Share Capital	Deposits for Future Stock Subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2024	12, 13	P199,999,995	P 0	P19,356,410,925	P7,926,603,815	(6,729,043,618)	P20,753,971,117
Total comprehensive income for the period		-	-	-	296,213,579	-	296,213,579
Transactions with owners:	12						
Acquisition of treasury shares during the period		-	-	-	-	(7,291,271,785)	(7,291,271,785)
Reissuance of treasury shares during the period		-	-	(1,678,858)	-	2,447,976,745	2,446,297,887
Total transactions with owners		-	-	(1,678,858)	-	(4,843,295,040)	(4,844,973,898)
<b>Balance, June 30, 2024</b>	<b>12, 13</b>	<b>P199,999,995</b>	<b>P 0</b>	<b>P19,354,732,067</b>	<b>P8,222,817,394</b>	<b>(P11,572,338,658)</b>	<b>P16,205,210,798</b>

	Notes	Share Capital	Deposits for Future Stock Subscriptions	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2023		P199,999,995	P25,185,465,266	P19,834,438,173	P7,021,087,576	(P3,241,750)	P52,237,749,260
Total comprehensive income for the period		-	-	-	554,632,892	-	554,632,892
Transactions with owners:							
Acquisition of treasury shares during the period		-	-	-	-	(12,720,377,458)	(12,720,377,458)
Reissuance of treasury shares during the period		-	-	(436,152,746)	-	12,723,231,420	12,287,078,674
Receipt of deposit for future stock subscriptions		-	-	-	-	-	-
Redemption of deposit for future stock subscriptions		-	(19,442,514,029)	19,424,726	-	-	(19,423,089,303)
Total transactions with owners		-	(19,442,514,029)	(416,728,020)	-	2,853,962	(19,856,388,087)
Balance, June 30, 2023		P199,999,995	P5,742,951,237	P19,417,710,153	P7,575,720,468	(P387,788)	P32,935,994,065

See Notes to Financial Statements.

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED JUNE 30, 2024 AND JUNE 30, 2023**

		(Unaudited)	(Unaudited)
	Notes	2024	2023
<b>Cash Flows from Operating Activities</b>			
Profit before tax		P 340,211,386	P 683,200,026
Net unrealized gains on investments	5	(130,044,867)	(10,214,011)
Net realized gains (losses) on investments	5	275,332	(45,564,202)
Reversal of expected credit losses		(3,358,119)	(12,827,570)
Interest income	15	(250,178,129)	(711,043,944)
Operating cash flows before working capital changes		(43,094,397)	(96,449,701)
Increase in:			
Other current assets		(1,397,995)	(1,271,364)
Increase (Decrease) in:			
Accrued expenses and other payables	10	25,111,570	(115,588,615)
Payable to fund manager	11	(1,997,528)	(7,871,597)
Cash used in operations		(21,378,350)	(221,181,277)
Acquisition of financial assets at fair value through profit or loss		(1,400,000,000)	(1,500,000,000)
Proceeds from maturities and disposals of financial assets at fair value through profit or loss		399,724,656	6,657,261,260
Interest received		299,284,301	947,582,866
Income taxes paid		(43,751,138)	(138,416,838)
Net cash generated from (used in) operating activities		(766,120,531)	5,745,246,011
<b>Cash Flows from Investing Activities</b>			
Maturities of financial assets at amortized cost		6,872,094,951	8,661,848,363
Net cash generated from investing activities		6,872,094,951	8,661,848,363
<b>Cash Flows from Financing Activities</b>			
Proceeds from reissuance of treasury shares		2,446,297,887	12,287,078,674
Payments on acquisition of treasury shares		(7,291,271,785)	(12,720,377,458)
Payments on redemption of deposit for future stock subscriptions		-	(19,423,089,303)
Net cash used in financing activities		(4,844,973,898)	(19,856,388,087)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<b>1,261,000,522</b>	<b>(5,449,293,713)</b>
<b>Cash and Cash Equivalents, Beginning</b>		<b>4,058,845,980</b>	<b>11,710,002,438</b>
<b>Cash and Cash Equivalents, End</b>	4	<b>P 5,319,846,502</b>	<b>P 6,260,708,725</b>

See Notes to Financial Statements.

## NOTES TO FINANCIAL STATEMENTS

### 1. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

#### Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company as at and for the six-month period ended June 30, 2024 have been prepared in accordance with PAS 34, Interim Financial Reporting. These unaudited condensed consolidated interim financial statements do not include all the notes normally included in an annual audited financial report. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2023, which have been prepared in accordance with the Philippine Financial Reporting Standards (PRFS).

#### 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.

In preparing the condensed consolidated interim financial statements, the significant accounting estimates and judgments made by the Company in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended December 31, 2023.

#### 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.

### 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

#### Adoption of New and Revised Accounting Standards Effective in 2023

The Company adopted all accounting standards and interpretations effective as at June 30, 2024. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FSRSC in the Philippines, were assessed to be applicable to the Company's financial statements, are as follows:

Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements, Disclosure Initiative – Accounting Policies

The Company has adopted the amendments to PAS 1 for the first time in the current year. The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The FSRSC has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in PFRS Practice Statement 2.

Other than the replacement of the term ‘Significant Accounting Policies’ to ‘Material Accounting Policy Transactions’ in Note 4, the adoption of amendments has no impact as all material accounting policy information are already disclosed in the notes to the financial statements.

#### Amendments to PAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The Company has adopted the amendments to PAS 12 for the first time in the current year. The FSRSC amends the scope of PAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in PAS 12, so that an entity would neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.

The amendments did not have a material impact to the financial statements of the Company as the Pillar Two legislation has not been enacted or substantially enacted in the jurisdiction where the Company operates.

#### New Accounting Standards Effective after the Reporting Period Ended December 31, 2023

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

Effective for annual periods beginning on or after January 1, 2024

- Amendments to PAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
- Amendments to PAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants
- Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
- Amendments to PFRS 16 Leases—Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after January 1, 2025

- Amendments to PAS 21 The Effects of Changes in Foreign Exchange Rates—Lack of Exchangeability
- PFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to PFRS 17)

Effective date is deferred indefinitely

- 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 PFRSs in future periods will not have a material impact on the financial statements in the period of their initial adoption.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### 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

Equity instruments are instruments that meet the definition of equity from the issuer's perspective, that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

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. When the election is used, fair value gains and losses are recognized in other comprehensive income (OCI) and are not subsequently reclassified to profit or loss, including disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in net realized gains (losses) on investments in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost and financial assets at FVOCI.

The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

### *Significant increase in credit risk*

The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument (e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost);
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- it has a low risk of default;
- the borrower is considered, in the short term, to have a strong capacity to meet its obligations; and
- the Company expects, in the longer term, that adverse changes in economic and business conditions might, but will not necessarily, reduce the ability of the borrower to fulfill its obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Default*

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

#### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or FVTOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

### *Write-off*

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

### *Measurement and recognition of ECL*

The measurement of ECL is a function of the PD, LGD (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the PD and LGD is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### *Presentation of allowance for ECL in the statements of financial position*

Loss allowances for ECL are presented in the statements of financial position as a deduction from the gross carrying amount of the assets.

### 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'.

### *Financial liabilities at FVTPL*

Financial liabilities at FVTPL are measured at fair value, with any gains/losses arising on remeasurement recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain/loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

In making the determination of whether recognizing changes in the liability's credit risk in OCI will create or enlarge an accounting mismatch in profit or loss, the Company assesses whether it expects that the effects of changes in the liability's credit risk will be offset in profit or loss by a change in the fair value of another financial instrument measured at FVTPL. This determination is made at initial recognition.

Since the Company does not have financial liabilities classified at FVTPL, all financial liabilities are subsequently measured at amortized cost.

### *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, 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.

## 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*

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.

### *Deposit for future share subscriptions*

DFFS is recorded at historical cost. According to Financial Reporting Bulletin (FRB) No. 6 as issued by SEC, it is classified as equity when all of the following criteria are met:

- the unissued authorized capital share of the entity is insufficient to cover the amount of shares indicated in the contract;
- there is Board of Directors' approval on the proposed increase in authorized capital share (for which a deposit was received by the Company);
- there is shareholders' approval of said proposed increase; and
- the application for the approval of the proposed increase has been presented for filing or has been filed with the SEC.

Deposit for future share subscriptions is classified as liability, when the above criteria are not met.

## **Prepayments**

Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to profit or loss as these are consumed in operations or expire with the passage of time.

Prepayments are classified in the statements of financial position as current asset when the cost of services related to the prepayments are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

## **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 from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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.

### 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 liability is generally recognized for all taxable temporary differences. Deferred tax asset is 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 asset and liability 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 asset 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 asset and liability 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 per Share

The Company computes its basic earnings 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 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 deposit for future share subscriptions.

## Events After the Reporting Period

The Company identifies events after the end of the reporting period as those events, both favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements when material.

## 4. CASH AND CASH EQUIVALENTS

	June 2024	December 2023
Cash in banks	P 191,546,502	P 386,245,980
Cash equivalents	5,128,300,000	3,672,600,000
	P 5,319,846,502	P 4,058,845,980

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.

## 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 2024	December 2023
Investments in unit investment trust funds (UITFs)	P 5,825,220,886	P 4,695,176,007

Investments in UITFs are placed in universal banks and are redeemable anytime.

Net gains on investments recognized in profit or loss arising from financial assets measured at fair value through profit or loss are as follows:

	June 2024	December 2023
Net unrealized gains on investments	P 130,044,867	P 63,587,283
Net realized gains (losses) on investments	(275,332)	30,384,084
	P 129,769,535	P 93,971,367

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

	June 2024	December 2023
Beginning Balance	P 4,695,176,007	P 8,704,871,037
Additions	1,400,000,000	4,250,000,000
Disposal	(399,999,988)	(8,323,282,313)
Unrealized gains	130,044,867	63,587,283
Ending Balance	P 5,825,220,886	P 4,695,176,007

6. FINANCIAL ASSETS AT AMORTIZED COST

	June 2024	December 2023
<b>Current:</b>		
Corporate bonds	P 3,206,474,150	P 8,600,033,113
<b>Non-current:</b>		
Corporate bonds	1,207,985,898	2,170,360,825
Treasury notes	606,488,922	1,122,649,984
Less: Allowance for impairment	(4,150,871)	(7,508,991)
	1,810,323,949	3,285,501,818
	P 5,016,798,099	P 11,885,534,931

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

	June 2024	December 2023
Beginning Balance	P 11,885,534,931	P31,565,599,367
Additions	-	1,348,000,000
Disposal	(2,060,000,000)	(21,204,739,578)
Amortization of premium (discount)	(4,805,518,841)	141,349,404
Allowance for impairment	3,358,119	35,325,738
Ending Balance	P 5,016,798,099	P 11,885,534,931

The disposal of financial assets of the Company is attributable to an isolated event that is beyond the Company's control, is non-recurring and could not have been reasonably anticipated by the Company. The main reason for the disposal is to raise cash for anticipated redemptions or to shift to higher-rated securities to improve asset quality of the Company.

7. ACCRUED INTEREST RECEIVABLE

	June 2024	December 2023
Financial assets at amortized cost	P 165,286,968	P213,329,271
Cash and cash equivalents	1,574,770	2,638,639
	P 166,861,738	P215,967,910

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

8. OTHER CURRENT ASSETS

	June 2024	December 2023
Prepaid Expenses	P 1,397,995	P -
Creditable withholding tax	26,325	26,325
	<b>P 1,424,320</b>	<b>P 26,325</b>

9. DEFERRED TAX ASSETS

The following is the composition of deferred tax assets recognized by the Company:

	Taxes and Licenses	Expected Credit Losses	Total
December 31, 2023	P14,486,342	P1,877,248	P 16,363,590
Charged to profit or loss	-	(839,530)	(839,530)
<b>June 2024</b>	<b>P 14,486,342</b>	<b>P 1,037,718</b>	<b>P 15,524,060</b>

10. ACCRUED EXPENSES AND OTHER PAYABLES

	June 2024	December 2023
Due to investors	P 73,071,096	P 47,688,034
Filing and registration fees payable	57,945,367	57,945,367
Professional fees	840,803	905,612
Withholding taxes and documentary stamp taxes	612,155	828,410
Custodianship fees	104,135	159,570
Director's fees	65,007	-
	<b>P 132,638,563</b>	<b>P 107,526,993</b>

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 one day after the transaction date. Filing and registration fees payable pertains to the amount payable to Securities and Exchange Commission in relation with the Company's authorized capital stock increase application. There were no additional accrued filing and registration fees as at June 30, 2024 and December 31, 2023.

## 11. RELATED PARTY TRANSACTIONS

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

The related parties below hold the following numbers and current values of shares of the Company as at June 30, 2024 and December 31, 2023:

Related party	2024		2023	
	Number of shares	Current Values	Number of shares	Current Values
SLOCPI				
ACS	1,697,852,920	P2,374,107,738	2,605,871,183	P3,584,375,812
Sun Life Prosperity Achiever Fund 2028, Inc.				
ACS	39,335,805	P55,003,256	39,335,805	P54,106,400
Sun Life Prosperity Achiever Fund 2038, Inc.				
ACS	39,335,805	P55,003,256	39,335,805	P54,106,400
Sun Life Prosperity Achiever Fund 2048, Inc.				
ACS	39,335,805	P55,003,256	39,335,805	P54,106,400
Sun Life Grepa Financial, Inc.				
ACS	137,327,963	P192,025,691	145,033,483	P199,493,556
Sun Life Financial Philippine Foundation, Inc.				
ACS	39,911,466	P55,808,203	26,207,896	P36,048,961
Sun Life Financial Asia Services Limited				
ACS	-	-	272,862,187	P375,321,938

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

Nature of Transaction	Transactions as of end of the Quarter		Outstanding Balances		Terms	Condition
	Q2 2024	Q2 2024	December 2023			
SLAMCI – Fund Manager Management Distribution and Transfer fees	P 40,321,130	P 5,301,701	P 7,299,229		Non-interest bearing; 0.40% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; unguaranteed
Key Management Personnel						
Directors' Fees	P 130,013	P 65,007	P -		Payable on demand; Settled in cash	Unsecured; Unguaranteed

## 12. EQUITY

Movements are as follows:

	2024	
	Shares	Amount
Authorized:		
At P0.01 par value	20,000,000,000	P 200,000,000
Issued and fully paid:		
At January 1	19,999,999,529	P 199,999,995
<b>At June 30</b>	<b>19,999,999,529</b>	<b>P 199,999,995</b>
Treasury shares:		
At January 1	4,913,665,342	P 6,729,043,618
Acquisition	5,262,790,289	7,291,271,785
Reissuance	(1,765,544,893)	(2,447,976,745)
<b>At June 30</b>	<b>8,410,910,738</b>	<b>P 11,572,338,658</b>

### *Incorporation*

The Company was incorporated on March 5, 2004 with 100,000,000 authorized shares at par value of P0.01 per share.

### *Approved changes*

On October 27, 2006, the shareholders of the Company approved the blanket increase of the authorized share capital of up to One Hundred billion shares at par value of P0.01 per share. The shareholders also approved the delegation of the approval of the increase in tranches to the Board of Directors.

On April 24, 2007, the Board of Directors approved the first tranche of the increase in the Company's authorized share capital of 300,000,000 shares (from 100,000,000 shares to 400,000,000 shares both with par value of P0.01), the SEC approved the increase on January 14, 2010 and the registration statements on March 11, 2014.

On December 9, 2013, the Board delegated the approval of the implementation in tranches to the Chairman of the Fund and the President of the SLAMCI. The delegation was reiterated on April 29, 2014.

On April 29, 2014, the shareholders approved the increase in the Company's authorized share capital of 5,600,000,000 shares (from 400,000,000 shares to 6,000,000,000 shares both with par value of P0.01). The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

On November 10, 2015, the Chairman of the Board of Directors and the President of SLAMCI jointly authorized the increase of 5,600,000,000 shares (from 400,000,000 shares to 6,000,000,000 shares both with par value of P0.01 per share) which was subsequently approved by the SEC on March 14, 2016. The registration statement was approved on December 13, 2016.

On March 13, 2017, the Chairman of the Board of Directors and the President of SLAMCI jointly authorized the increase of 14,000,000,000 shares (from 6,000,000,000 shares to 20,000,000,000 shares both with par value of P0.01 per share).

On October 10, 2017, the SEC approved the additional 14,000,000,000 shares increase in authorized share capital, from 6,000,000,000 shares to 20,000,000,000 shares at a par value of P0.01 per share.

On December 27, 2017, the Company paid P4,759,928 SEC fees for the increase of 14,000,000,000 shares.

On December 31, 2017, the Company reclassified the 14,000,000,000 deposit for future share subscriptions to subscribed share capital.

On May 3, 2019, the SEC approved the registration statement for the 14,000,000,000 shares.

*Pending application for 20,000,000,000 additional shares*

On September 21, 2017, the Chairman of the Board of Directors and the President of SLAMCI jointly authorized the increase of 30,000,000,000 shares (from 20,000,000,000 shares to 50,000,000,000 shares both with par value of P0.01 per share).

On June 18, 2018, the application of the Company for the 30,000,000,000 additional shares was eventually revised to 15,000,000,000 additional shares. The Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the increase in authorized capital share of the Company by P150,000,000 divided into 15,000,000,000 shares.

On July 3, 2018, the application for the 15,000,000,000 shares increase was presented to SEC.

On September 3, 2019, the application of the Company for the 15,000,000,000 additional shares was increased to 20,000,000,000 additional shares. The Chairman of the Board of Directors of the Company and the President of SLAMCI, jointly approved the fourth tranche of increase in authorized capital share of the Company by P200,000,000 divided into 20,000,000,000 shares.

On November 18, 2019, the application for the 20,000,000,000 shares increase was presented to SEC.

On October 28, 2020, the Company received comments from SEC for the Company's application for increase in ACS of 20,000,000,000 shares.

In February 2021, the Company engaged a professional service firm to render its professional services in providing assistance to the Company in submission of documents as required by the SEC for the approval of 20,000,000,000 additional shares.

On March 4, 2021, the Company submitted to SEC-CRMD the requirements for the approval of 20,000,000,000 additional ACS.

On September 6, 2021, the professional service firm filed a letter of follow-up to SEC - Financial Analysis and Audit Division (FAAD) for the status of all pending ACS increase applications.

On September 7, 2021, the Company received the checklist of requirements and comments from SEC-FAAD.

On November 5, 2021, soft copy of requirements was emailed to SEC and the original documents were subsequently received by SEC on November 10, 2021.

On January 18, 2022, SEC-CGFD requested from the Company the submission of the latest Articles of Incorporation (AOI) and By-laws (BL) for the processing of the CGFD monitoring clearance.

On January 21, 2022, Punongbayan & Araullo (P&A) submitted the requested AOI and BL to the SEC-CGFD.

On February 7, 2022, the Company was advised by P&A that SEC-CRMD sent an update on the request for CGFD monitoring clearance.

On March 24, 2022, P&A submitted to SEC-CGFD the updated AOI and BL for the application of monitoring clearance.

On April 21, 2022, the Company received comments dated April 19, 2022 from SEC-CGFD in relation to the Company's request for clearance.

On May 2, 2022, P&A sent an email to SEC-CGFD requesting to consider the submission of Deed of Undertaking (DoU) similar to that submitted for Sun Life Prosperity World Voyager Fund, Inc. in lieu of immediate compliance with SEC-CGFD's comments in AOI and By-Laws.

On May 6, 2022, the Company received a response from SEC-CGFD that the department is willing to accept a similar Undertaking to submit the amended AOI and BL within 60-days from 2022 ASM and ensure that the Undertaking takes into account the details of the specific application for increase in ACS in the Undertaking (i.e., application for increase in authorized capital share from Two Hundred Million Pesos (P 200,000,000.00) divided into Twenty Billion (20,000,000,000) shares with par value of One Centavo (P 0.01) to Four Hundred Million Pesos (P 400,000,000.00) divided into Forty Billion (40,000,000,000) shares with par value of One Centavo (P 0.01) per share); and to mention to ensure that the Undertaking to obtain shareholder approval for the AOI and BL amendments is for the purpose of complying with SEC-CGFD Comment List dated 19 April 2022.

On June 3, 2022, the Company submitted to SEC-CGFD the copy of filed 2019 GIS and 2021 SEC Form 17-C and latest Deed of Undertaking of Sun Life Prosperity Dollar Starter Fund, Inc. as reference to pattern the Undertaking of the Company. This is in response to SEC-CGFD comment dated April 21, 2022.

On June 13, 2022, the Company received an e-mail from SEC-CGFD acknowledging the receipt of reportorial requirements and they confirm that these reports were timely filed with the Commission. They also confirm that the sample Deed of Undertaking executed for Sun Life Prosperity Dollar Starter Fund, Inc. may be used as reference in drafting the Company's Deed of Undertaking to file its amended articles of incorporation and by-laws, provided that the relevant details are indicated therein (e.g., details of specific application for increase in ACS and date of Comments List being complied with). They requested to submit the undertaking for their review.

On July 8, 2022, P&A submitted the draft undertaking to SEC-CGFD for pre-clearing. SEC-CGFD then acknowledged the receipt and that the e-mail was forwarded to the handling specialist.

On August 3, 2022, SEC-CGFD sent their comments on the draft undertaking, that is to submit the (1) Proposed draft amended AOI incorporating the latest application to increase ACS from Php669 million to Php1,069 million; and (2) The Company's latest By-Laws, duly approved by the Commission, if there are no changes to be made therein in light of the pending applications for increase in ACS.

On August 10, 2022, the Company submitted to SEC-CGFD the amended By-Laws and the draft Amended AOI reflecting the application in ACS increase from Php669,000,000 to Php1,069,000,000.

On August 23, 2022, P&A forwarded an email from SEC-CGFD (dated 22 August 2023) in relation to the latest Amended AOI from P669,000,000 to P1,069,000,000 ACS increase. The Company is directed to submit its duly signed and notarized Undertaking, a draft of which was submitted last 08 July 2022.

On 09 September 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 19 April 2022 list of comments.

On 02 November 2022, P&A received list of comments from SEC CGFD (letter dated 25 Oct 2022) on the ACS increase application and amendment of AOI and By-Laws in compliance with 19 April 2022 List of comments.

Currently, the Company is in the process of updating the amended AOI and By-Laws in compliance with CGFD comments dated November 3, 2022.

*Pending application for 26,900,000,000 additional shares*

On October 14, 2020, the Chairman of the Board of Directors and the President of SLAMCI jointly approved the fifth tranche of increase in ACS by 26,900,000,000 shares with par value of P0.01 per share.

On December 29, 2020, the application for the 26,900,000,000 shares increase in authorized capital share was filed with the SEC.

On February 4, 2021, the original copies of the documentary requirements were transmitted to SEC.

SEC advised the Company that this application will be processed upon approval of previous ACS increase application.

On 09 September 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 19 April 2022 list of comments.

On 02 November 2022, P&A received list of comments from SEC CGFD (letter dated 25 Oct 2023) on the ACS increase application and amendment of AOI and By-Laws in compliance with 19 April 2022 List of comments.

Currently, the Company is in the process of updating the amended AOI and By-Laws in compliance with CGFD comments dated 03 November 2022.

SEC advised the Company that this application will be processed upon approval of previous ACS increase application.

*Pending application for 40,000,000,000 additional shares*

On March 11, 2021, the President of the Company and the President of SLAMCI jointly approved the sixth tranche of increase in ACS by 40,000,000,000 shares at the par value of Php0.01 per share.

On June 28, 2021, the application for the 40,000,000,000 shares increase in ACS was filed with the SEC.

SEC advised the Company that this application will be processed upon approval of previous ACS increase application.

On 09 September 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 19 April 2022 list of comments.

On 02 November 2022, P&A received list of comments from SEC CGFD (letter dated 25 Oct 2023) on the ACS increase application and amendment of AOI and By-Laws in compliance with 19 April 2022 List of comments.

The Company is in the process of updating the amended AOI and By-Laws in compliance with CGFD comments dated 03 November 2022.

On 16 December 2022, SLAMCI sent a letter to the SEC requesting to withdraw the application for the 300,000,000,000 shares increase in ACS. The Company reassessed the number of shares applied for increase in ACS, and it was determined that it no longer matches the current DFFS levels of the Company.

On 11 August 2023, the request for withdrawal was acknowledged by SEC-CRMD.

On 20 October 2023, the SEC-CRMD granted the request for withdrawal of application for increase in ACS and is considered withdrawn.

On 10 November 2023, the Company was informed through SEC-CGFD's letter dated 3 November 2023 that considering CRMD's approval of request to withdraw the application for increase in ACS, the subject request is hereby noted, subject to the Company's continuous compliance with the reduced allowable number of DFFS equivalent in shares.

*Pending application for 25,000,000,000 additional shares*

On May 5, 2022, the President of the Company and the President of SLAMCI jointly approved the seventh tranche of increase in ACS by P250,000,000 divided into 25,000,000,000 shares such that the total authorized share capital of the Company is now P1,319,000,000 divided into 131,900,000,000 shares at the par value of Php0.01 per share.

On June 30, 2022, the application for the 25,000,000,000 shares increase in ACS was filed with the SEC which they received and acknowledged on July 4, 2022.

On July 4, 2022, the Company received an email from SEC-FAAD advising the name of the assigned examiner.

On 09 September 2022, the Company filed an application for amendment of the Articles of Incorporation and By-Laws to comply with SEC-CGFD 19 April 2022 list of comments.

On 02 November 2022, P&A received list of comments from SEC CGFD (letter dated 25 Oct 2022) on the ACS increase application and amendment of AOI and By-Laws in compliance with 19 April 2022 List of comments.

The Company is in the process of updating the amended AOI and By-Laws in compliance with CGFD comments dated 03 November 2022.

On 16 December 2022, SLAMCI sent a letter to the SEC requesting to withdraw the application for the 300,000,000,000 shares increase in ACS. The Company reassessed the number of shares applied for increase in ACS, and it was determined that it no longer matches the current DFFS levels of the Company.

On 11 August 2023, the request for withdrawal was acknowledged by SEC-CRMD.

On 20 October 2023, the SEC-CRMD granted the request for withdrawal of application for increase in ACS and is considered withdrawn.

On 10 November 2023, the Company was informed through SEC-CGFD's letter dated 3 November 2023 that considering CRMD's approval of request to withdraw the application for increase in ACS, the subject request is hereby noted, subject to the Company's continuous compliance with the reduced allowable number of DFFS equivalent in shares.

**Current state**

As at June 30, 2024, the Company has 11,589,088,791 issued and outstanding shares out of the 20,000,000,000 ACS with a par value of P0.01 per share.

DFFS received in cash amounting to nil as at June 30, 2024 and December 31, 2023, respectively, were classified as equity since the Company has met all of the conditions required for such as disclosed in Note 3.

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of June 30, 2024.

% Ownership of Institutional Investors	% Ownership of Retail Investors
67.24%	32.76%

Area	Percentage of Investments
LUZON	95%
VISAYAS	4%
MINDANAO	1%
TOTAL	100%

**13. ADDITIONAL PAID-IN CAPITAL**

Additional paid-in capital pertains to excess payments over par value from investors and from reissuance of treasury shares.

	June 2024	December 2023
APIC	P 19,354,732,067	P 19,356,410,925

14. **NET ASSET VALUE PER SHARE**

	June 2024	December 2023
Total equity	P 16,205,210,798	P 20,753,971,117
Outstanding shares	11,589,088,791	15,086,334,187
NAVPS	P 1.3983	P 1.3757

**Net Asset Value Calculation**

The net asset value shall be calculated by adding:

- The aggregate market value of the portfolio securities and other assets;
- The cash on hand;
- Any dividends on stock trading ex-dividend; and
- Any accrued interest on portfolio securities,

And subtracting:

- Taxes and other charges against the fund not previously deducted;
- Liabilities
- Accrued expenses and fees; and
- Cash held for distribution to investors of the fund on a prior date.

**Price Determination of The Assets Of The Investment Company**

The value of the assets of the Investment Company shall be determined based on the following:

- a. If quoted in an organized market, based on official closing price or last known transacted price;
- b. If unquoted or quoted investments where the transacted prices are not represented or not available to the market, based on fair value; Provided, further that in determining the fair value of investments, the Fund Manager shall, with due care and good faith:
- c. Have reference to the price that the Investment Company would reasonably expect to receive upon the sale of the investment at the time the fair value is determined;
- d. Document the basis and approach for determining the fair value.

Below table shows the investment company return information of the Fund in the last five (5) recently completed fiscal years as at June 30, 2024:

	Yields	NAVPS	NAVPS Date
Year on year yield (1-year)	3.0511%	1.3569	June 30, 2023
3 Year - Simple	7.1166%	1.3054	June 30, 2021
5 Year - Simple	12.3584%	1.2445	June 28, 2019

15. **INTEREST INCOME**

This account consists of interest income on the following:

	June 2024	June 2023
Special savings deposits	P 122,522,585	P 318,561,373
Fixed-income securities	37,300,780	141,898,342
Cash equivalents	89,882,830	249,006,383
Cash in banks	471,934	1,577,846
	P 250,178,129	P 711,043,944

16. MISCELLANEOUS EXPENSE

As at June 30, 2024 and 2023, the miscellaneous expense amounted to P 181,335 and P 94,741, respectively. Miscellaneous expense pertains to admin fees, bank charges, foreign exchange resulted from the purchase and sale transactions related to special savings deposits and corporate bonds and other expenses.

17. EARNINGS PER SHARE

The calculation of the earnings per share for the quarter is based on the following data:

	June 2024	June 2023
Net income for the period	P 296,213,579	P 554,632,892
Weighted average number of shares:		
Issued and outstanding	12,751,772,171	19,975,217,121
Basic and diluted earnings per share	P 0.023	P 0.028

18. 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, levels 1 to 3 based on the degree to which the inputs to fair value are observable.

		Level 1
<b>June 30, 2024</b>		
Investments in UITFs	5	P 5,825,220,886
<b>December 31, 2023</b>		
Investments in UITFs	5	P 4,695,176,007

UITFs are valued at their published Net Asset Value per Unit (NAVPU) as at reporting date.

There were no transfers between level 1, 2 and 3 in 2024 and 2023. Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period are presented separately in the statements of comprehensive income.

*Financial assets and liabilities not measured at fair value*

The following financial assets and financial liabilities are not measured at fair values on recurring basis but the fair value disclosure is required:

	Notes	Carrying amount	Level 3
<b>June 30, 2024</b>			
<b>Financial Assets</b>			
Financial assets at			
amortized cost - net	6	P 5,020,944,206	P 5,016,798,348
<b>December 31, 2023</b>			
<b>Financial Assets</b>			
Financial assets at			
amortized cost - net	6	11,885,534,931	11,885,534,931

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

The fair values of financial assets at amortized cost were determined based on the discounted cash flow analysis using the Company's estimated cost of borrowing ranging from 5.55% to 6.23% for loans with less than one year maturity and loans maturing in seven years for 2024 and 2023.

## Item 2. Management's Discussion and Analysis of Financial Position and Results of Operations

The Performance of the Company could be measured by the following indicators:

- Increase/Decrease in Net Assets Value Per Share (NAVPS).** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding plus the total number of shares outstanding due to deposit for future subscriptions (DFFS) and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Fund's shareholders.
- Net Investment Income.** Represents the total earnings of the Fund from its investment securities, less operating expenses and income tax. This gauges how efficiently the Fund has utilized its resources in a given time period.
- Assets Under Management.** These are the assets under the Fund's disposal. This measures investor confidence (increase/decrease brought about by investor subscriptions/redemptions) as well as the growth of the Fund (increase/decrease brought about by its operational income and market valuation of its assets and liabilities).
- Cash Flow.** Determines whether the Fund was able to achieve the optimal level of liquidity by being able to meet all its scheduled payments, while maintaining at the same time the maximum investments level and minimum cash level.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Material Changes in the Second Quarter Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity – 30 June 2024 vs. 31 Dec 2023

	30-Jun-24		31-Dec-23		Movement	Percentage (%)	MDAS
	P	Unaudited	P	Audited			
Cash and cash equivalents	P	5,319,846,502	P	4,058,845,980	P 1,261,000,522	31.07%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss		5,825,220,886		4,695,176,007	1,130,044,879	24.07%	The increase was due to purchase of investments in equity securities with unrealized gains during the period.
Financial assets at amortized cost		5,016,798,099		11,885,534,931	(6,868,736,832)	-57.79%	The decrease was mainly due to disposals and maturities of treasury bills, notes and corporate bonds during the period.
Accrued interest receivable		166,861,738		215,967,910	(49,106,172)	-22.74%	Collection of interest depends on the scheduled interest payments of each asset.
Other current assets		1,424,320		26,325	1,397,995	5310.52%	The increase pertains to prepaid expense and prepaid tax which will be amortized during the year.
Deferred tax assets		15,524,060		16,363,590	(839,530)	-5.13%	The decrease in DTA related to the reversal of ECL during the period.
<b>Total Assets</b>		<b>16,345,675,605</b>		<b>20,871,914,743</b>	<b>(4,526,239,138)</b>	<b>-21.69%</b>	
Accrued expenses and other payables		132,638,563		107,526,993	25,111,570	23.35%	The increase was due to higher outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled one (1) day after the transaction date.
Payable to fund manager		5,301,701		7,299,229	(1,997,528)	-27.37%	Decrease in AUM during the period directly decreases this account.
Income tax payable		2,524,543		3,117,404	(592,861)	-19.02%	Prepaid tax is recognized during the period.
<b>Total Liabilities</b>		<b>140,464,807</b>		<b>117,943,626</b>	<b>22,521,181</b>	<b>19.09%</b>	
Share capital		199,999,995		199,999,995	-	0.00%	
Additional paid in capital		19,354,732,067		19,356,410,925	(1,678,858)	-0.01%	
Retained earnings		8,222,817,394		7,926,603,815	296,213,579	3.74%	Net income for the period.
Treasury Shares		(11,572,338,658)		(6,729,043,618)	(4,843,295,040)	71.98%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>		<b>16,205,210,798</b>		<b>20,753,971,117</b>	<b>(4,548,760,319)</b>	<b>-21.92%</b>	Net acquisition of treasury shares partly offset by the net income earned during the period.
<b>Net Assets Value per Share</b>	P	<b>1.3983</b>	P	<b>1.3757</b>	P <b>0.0226</b>	<b>1.65%</b>	

## Statement of Financial Position and Statements of Changes in Equity – 30 Jun 2023 vs. 31 Dec 2022

	30-Jun-23	31-Dec-22	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash and cash equivalents	P 6,260,708,725	P 11,710,002,438	P (5,449,293,713)	-46.54%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	3,603,387,990	8,704,871,037	(5,101,483,047)	-58.60%	The decrease was related to net disposals of fixed-income investments and equity securities partly offset with unrealized gains during the period.
Financial assets at amortized cost	22,916,578,574	31,565,599,367	(8,649,020,793)	-27.40%	The decrease was mainly due to disposals of treasury bills, notes and corporate bonds during the period.
Accrued interest receivable	241,588,753	478,127,675	(236,538,922)	-49.47%	Collection of interest depends on the scheduled interest payments of each asset.
Other current assets	1,297,689	26,325	1,271,364	4829.49%	The increase pertains to prepaid expense which will be amortized during the year.
Deferred tax assets	21,988,132	25,195,024	(3,206,892)	-12.73%	The decrease in DTA related to the reversal of ECL during the period.
<b>Total Assets</b>	<b>33,045,549,863</b>	<b>52,483,821,866</b>	<b>(19,438,272,003)</b>	<b>-37.04%</b>	
Accrued expenses and other payables	97,451,549	213,040,164	(115,588,615)	-54.26%	The decrease was due to lower outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled one (1) day after the transaction date coupled with decrease in withholding and documentary taxes payable.
Payable to fund manager	11,383,240	19,254,837	(7,871,597)	-40.88%	Decrease in AUM during the period directly decreases this account.
Income tax payable	721,009	13,777,605	(13,056,596)	-94.77%	The decrease pertains to income tax for the second quarter of 2023.
<b>Total Liabilities</b>	<b>109,555,798</b>	<b>246,072,606</b>	<b>(136,516,808)</b>	<b>-55.48%</b>	
Share capital	199,999,995	199,999,995	-	0.00%	
Deposit for future stock subscriptions	5,742,951,237	25,185,465,266	(19,442,514,029)	-77.20%	DFFS received recorded in this account since the Company met all the requirements to be classified as equity.
Additional paid in capital	19,417,710,153	19,834,438,173	(416,728,020)	-2.10%	
Retained earnings	7,575,720,468	7,021,087,576	554,632,892	7.90%	Net income for the period.
Treasury Shares	(387,788)	(3,241,750)	2,853,962	-88.04%	Due to net reissuance of treasury shares during the period.
<b>Net Assets</b>	<b>32,935,994,065</b>	<b>52,237,749,260</b>	<b>(19,301,755,195)</b>	<b>-36.95%</b>	Net DFFS redemptions partly offset with the net reissuance of treasury shares and net income earned for the period.
<b>Net Assets Value per Share</b>	<b>P 1.3569</b>	<b>P 1.3384</b>	<b>P 0.0185</b>	<b>1.38%</b>	

There were no known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing the Fund's liquidity in any material way.

There was no contingent liability reflected in the accompanying interim unaudited financial statements.

The Fund does not anticipate having any cash flow or liquidity problems as it complies with the liquidity requirements per ICA-IRR 6.10. The Fund was able to meet all its monetary obligations to its shareholders (for redemption) and creditors for the period covered. It does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons created during the reporting period. Likewise, there are no material commitments for capital expenditures, known trends, events, or uncertainties that have had or that are reasonably expected to have a material impact on net income/revenue from the continuing operations of the Fund.

There are no other significant events and transactions from the last annual reporting period that is required for disclosure this quarter.

## Statement of Comprehensive Income for the Six months ended – 30 June 30, 2024 vs. 30 June 2023

	30-Jun-24	30-Jun-23	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	P 249,902,797	P 756,608,146	P (506,705,349)	-66.97%	The decrease mainly pertains to lower interest income received from investments earned during the period.
Operating Expenses	39,736,278	83,622,131	(43,885,853)	-52.48%	This is due to the decrease in management and distribution fees brought by lower AUM for the period coupled with the decrease in custodianship fees and taxes and licenses during the period.
Net Unrealized Gains on Investments	130,044,867	10,214,011	119,830,856	1173.20%	Increase due to favorable market conditions of the investments during the period.
Provision for Income Tax	43,997,807	128,567,134	(84,569,327)	-65.78%	Final taxes of interest income earned from fixed income investments, selling tax for stocks and corporate income tax for the period.
<b>Net Investment Income</b>	<b>296,213,579</b>	<b>554,632,892</b>	<b>(258,419,313)</b>	<b>46.59%</b>	

## Statement of Comprehensive Income for the Six months ended – 30 Jun 2023 vs. 30 Jun 2022

	30-Jun-23		30-Jun-22		Movement	Percentage (%)	MDAS
	Unaudited		Unaudited				
<b>Investment Income</b>	P	756,608,146	P	1,544,475,910	(787,867,764)	-51.01%	The decrease mainly pertains to lower interest income received from investments but was partially offset with higher realized gains earned during the period.
<b>Operating Expenses</b>		83,622,131		290,962,010	(207,339,879)	-71.26%	This is due to the decrease in management and distribution fees brought by lower AUM for the period coupled with the decrease in custodianship fees and taxes and licenses during the period.
<b>Net Unrealized Gains on Investments</b>		10,214,011		26,273,360	(16,059,349)	-61.12%	Decrease due to unfavorable market conditions of the investments during the period.
<b>Provision for Income Tax</b>		128,567,134		296,185,301	(167,618,167)	-56.59%	Final taxes of interest income earned from fixed income investments, selling tax for stocks and corporate income tax with effect of DTA recognized for the period.
<b>Net Investment Income</b>		<b>554,632,892</b>		<b>983,601,959</b>	<b>(428,969,067)</b>	<b>43.61%</b>	

Average daily net asset value from January to June 2024 and January to June 2023 are PHP 18,122,284,126 and PHP 40,867,456,755, respectively.

The Fund has no unusual nature of transactions or events that affect assets, liabilities, equity, net income or cash flows.

There were no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Fund which are not reflected in the accompanying interim unaudited financial statements.

The management of the Fund is of the opinion that there were no income or losses from these items that will have any material effect on its interim unaudited financial statements.

There were no known material events subsequent to the end of the quarterly reporting period that have not been reflected in the Fund's interim unaudited financial statements as at the period ended June 30, 2024. There were no significant elements of income or loss that did not arise from the Fund's continuing operations.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

## PART II – RISK MANAGEMENT

### Item 1. Financial Risk Exposures of the Company

#### 1. Financial Risk Management Objectives and Policies

The Company's activities expose it to a variety of financial risks: interest rate risk, 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:

**1.1 Market Risk:** Market risk is a risk of possible decline in the value of the Fund due to fluctuations in prices of the fund's assets. Since the fund may in both equity and fixed income securities, it is subject to two types of market risks: (1) Interest Rate Risk applicable to fixed income securities of the Fund; and (2) Equity Price Risk applicable to the equity investments of the Fund.

**1.2 Interest Rate Risk:** Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

**1.3 Credit Risk:** Investments in bonds carry the risk that the issuer of the bonds might default on its interest and principal payments. In the event of default, the Fund's value will be adversely affected

and may result in a write-off of the concerned asset held by the Fund. To mitigate the risk, each Issuer/Borrower/Counterparty passes through a stringent credit process to determine whether its credit quality complies with the prescribed standards of the Fund. Further, the credit quality of the Issuer/Borrower/Counterparty is reviewed periodically to ensure that excellent credit standing is maintained. Moreover, a 10% exposure limit to a single entity is likewise observed.

- 1.4 **Liquidity Risk:** The Fund is usually able to service redemptions of investors within seven (7) banking days after receipt of the notice of redemption by paying out redemptions from available cash or near cash assets in its portfolio. However, when redemptions exceed the Funds available cash or near cash assets in its portfolio, the Fund will have to sell its other security holdings; and during periods of extreme market volatility, the Fund may not be able to find a buyer for such assets. Consequently, the Fund may not be able to generate sufficient cash from its sale of assets to meet the redemptions within the normal seven (7) banking day period. To mitigate this, the Fund maintains adequate highly liquid assets in the form of cash, cash equivalents and near cash assets in its portfolio. As the Fund's portfolio is composed of liquid assets, liquidity risk is deemed low.
- 1.5 **Regulatory Risk:** The Fund's investments and operations are subject to various regulations affecting among others, accounting of assets and taxation. These regulations occasionally change, and may result in lower returns or even losses borne by the investors. For example, a higher tax imposed on the sale or purchase of underlying assets of the Fund may result in lower net asset value of the Fund. To mitigate this risk, SLAMCI adopts global best practices. Further, it maintains regular communications with the relevant government agencies to keep itself abreast of the issues giving them concern, and to have the opportunity to help them set standards for good governance. SLAMCI also takes an active participation in the Philippine Investment Funds Association, Inc. ("PIFA"), an association of mutual fund companies in the Philippines.
- 1.6 **Non-guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the Philippine Deposit Insurance Corporation ("PDIC"). Hence, investors carry the risk of losing the value of their investment, without any guaranty in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.
- 1.7 **Dilution Risk:** Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. As such, investors face the risk of their investments being diluted as more investors subscribe to shares of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.
- 1.8 **Large Transaction Risk:** If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.
- 1.9 **Fund Manager Risk:** The performance of the Fund is also dependent on the Fund Manager's skills. Hence, the Fund may underperform in the market and/or in comparison with similar funds due to investment decisions made by the Fund Manager, and may also fail to meet the Fund's investment objectives. The Board of Directors of the Issuer, however, shall ensure that all investment policies and restrictions enumerated in this Prospectus are strictly followed.
- 1.10 **Operational Risk:** This is the risk of loss resulting from inadequate or failed internal processes, controls, people and systems. Categories of operational risks may fall under: sales and distribution, human resources, information technology, processes and people, accounting and finance, model risk, legal and regulatory and third party relationships. The Fund ensures that the internal controls and practices are consistent with enterprise wide policies supporting the management of operational risks. The Fund has established business specific guidelines. Comprehensive investment program, including appropriate level of self-insurance, is maintained to provide protection against potential losses.

## 2. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high-quality debt 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 Company manages Capital and NAVPS, 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 may borrow, on a temporary basis, for the purpose of meeting redemptions and bridging requirements provided that the borrowing period should not exceed one month; and the aggregate borrowings shall not exceed ten percent (10%) of the net assets of the Fund.
- 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. Industry 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. It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Company and any affiliates, or affiliated corporations of the Company;
- i. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
- j. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
- k. It may use various techniques to hedge investment risks; and
- l. 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 income consistent with prudent management of the Fund's assets. The investment policy is to invest in fixed income and other related securities, and commercial papers issued by corporations, certificate of deposits, and other short-term instruments. The Fund may invest in domestic or foreign securities, denominated in any currency, but shall not bear any foreign exchange risk.
- b. Benchmark - 100% Philippines Peso TD Rate 1-3 Months, net of tax.
- c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income 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 0.25% of the net assets attributable to shareholders on each valuation day.

In compliance to 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 of June 30, 2024 and December 31, 2023, the Company is consistently in compliance with the minimum paid-in capital requirement of the SEC of P 50,000,000.

**3. The amount and description of the company’s investment in foreign securities:**

As of June 30, 2024, the Company’s investment in foreign securities amounted are as follows:

<b>Name of Issuing Entity</b>	<b>Market Value</b>
N&C Securities (Classic Global Note)	1,000,000,000
<b>GRAND TOTAL</b>	<b>P1,000,000,000</b>

**4. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy.**

**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 estimates, that Management has made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Business model assessment

Classification and measurement of financial assets depend 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 of FVTOCI 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 cashflows which are SPPI. All other financial assets that do not meet the SPPI and business model test are measured at FVTPL.

As at June 30, 2024 and December 31, 2023, the Company's financial assets measured at FVTPL amounted to P 5,825,220,886 and P4,695,176,007 respectively, as disclosed in Note 5.

As at June 30, 2024 and December 31, 2023, the Company's financial assets measured at amortized cost amounted to P 5,016,798,099 and P 11,885,534,931, respectively, composed of cash and cash equivalents, financial assets at amortized cost, and accrued receivable as disclosed in Notes 6, respectively.

#### Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. PFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

As at June 30, 2024 and December 31, 2023, the Company's estimated allowance for credit losses for financial instruments measured at amortized cost amounted to P1,037,718 and P 1,877,248, respectively, as disclosed in Note 9.

#### Models and assumptions used

The Company uses various models and assumptions in measuring the fair value of financial assets as well as in estimating ECL. 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, including assumptions that relate to key drivers of credit risk.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 18.

#### 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 Philippine Peso (PHP). The PHP 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 June 30, 2024 and 2023, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to P199,999,995 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.

#### Probability of Default (PD)

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As at June 30, 2024 and 2023, the Company assessed a probability of default of 0.08% and 0.06%, respectively, for all of its financial assets measured at amortized cost.

#### Loss Given Default (LGD)

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

The Company uses portfolio averages from external estimates sourced out from Standard and Poor's (S&P) as the LGD estimates.

#### Estimating loss allowance for ECL

The measurement of the ECL for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 20 Credit Risk - ECL measurement, which also sets out the key sensitivities of the ECL to changes in these elements.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

As at June 30, 2024 and December 31, 2023, the Company's estimated allowance for credit losses for financial instruments measured at amortized cost amounted to P4,150,871 and P7,508,991, respectively, as disclosed in Note 6. Financial assets at amortized cost as at June 30, 2024 and December 31, 2023 amounted to P 5,016,798,099 and P11,885,534,931, respectively, as disclosed in Note 6. Accrued interest receivable as at June 30, 2024 and December 31, 2023 amounted to P166,861,738 and P215,967,910, respectively, as disclosed in Note 7.

#### Deferred tax asset

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 asset to be utilized.

Total deferred tax assets recognized in the statements of financial position as at June 30, 2024 and December 31, 2023 amounted to P 15,524,060 and P16,363,590, respectively, as disclosed in Note 9.

#### Determining the fair value of investments in special savings deposits classified as financial assets at FVTPL

The Company carries its investments in special savings deposits 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 June 30, 2024 and December 31, 2023, the carrying amount of special savings deposits classified as financial assets at FVTPL amounted to nil, respectively, as disclosed in Note 5.

#### Determining the fair value of investments in special savings deposits classified as financial assets at FVTPL

The Company carries its investments in special savings deposits 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.

#### Compliance with Foreign Account Tax Compliance Act (FATCA)

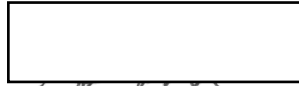
In accordance with the requirements of the US Internal Revenue Service ("IRS") and the Intergovernmental Agreement ("IGA") between the Government of the United States of America and the Government of the Republic of the Philippines to Improve International Tax Compliance and to Implement FATCA which was signed last July 13, 2015, the Fund has registered with the Internal Revenue Service (IRS) and has obtained its own Global Intermediary Identification Number ("GIIN") as a sponsored entity. Sun Life Asset Management Company, Inc. ("SLAMCI") continues to assume responsibilities for the Fund's FATCA compliance as the Sponsoring Entity and has implemented FATCA onboarding processes and procedures as well as system enhancements to monitor its new and pre-existing account holders who are U.S. Persons and have U.S. Indicia. The Fund, together with its Sponsoring Entity, SLAMCI, is preparing to comply for FATCA reporting on the date which will be set by the Bureau of Internal Revenue as soon as the IGA has been ratified by the Senate.

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : Sun Life Prosperity Peso Starter Fund, Inc.

Principal Financial/Accounting Officer/Comptroller:

A rectangular box with a black border, used to redact the signature of the Principal Financial/Accounting Officer/Comptroller.

Signature : Jeanemar S. Talaman

Title : Treasurer

Date : August 15, 2024

**SUN LIFE PROSPERITY PESO STARTER FUND, INC.**

Schedule of Financial Soundness Indicators and Financial Ratios

June 30, 2024 and December 31, 2023

	Formula	2024	2023
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	<b>105.27:1</b>	489.17:1
b. Quick ratio	Quick Assets/Current Liabilities	<b>82.01:1</b>	341.22:1
c. Cash ratio	Cash/Current Liabilities	<b>38.57:1</b>	116.53:1
d. Days in receivable	Receivable/Revenue * No. of days	<b>N/A</b>	N/A
e. Working capital ratio	(Current Assets - Current Liabilities)/Current Liabilities	<b>104.27:1</b>	488.17:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	<b>57.55:1</b>	43.09:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	<b>102483.04:1</b>	47154.57:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	<b>N/A</b>	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	<b>0.00</b>	0.00
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	<b>N/A</b>	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	<b>0.00</b>	0.00
Asset to equity ratio	Total Assets/Total Equity	<b>1.00:1</b>	1.00:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	<b>N/A</b>	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	<b>136.14%</b>	77.85%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	<b>136.14%</b>	77.85%
c. Pre-tax margin	EBT/Revenue	<b>136.14%</b>	77.85%
d. Effective tax rate	Income Tax/EBIT	<b>11.91%</b>	20.43%
e. Post-tax margin	Net Income After Tax/Revenue	<b>119.93%</b>	61.94%
f. Return on equity	Net Income After Tax/Average Common Equity	<b>1.62%</b>	1.42%
g. Return on asset	NIAT/Average Total Assets	<b>1.61%</b>	1.42%
Capital intensity ratio	Total Assets/Revenue	<b>65.41:1</b>	52.97:1
Fixed assets to total assets	Fixed assets/Total assets	<b>N/A</b>	N/A
Dividend payout ratio	Dividends paid/Net Income	<b>N/A</b>	N/A

**Sun Life Prosperity Peso Starter Fund Inc.**

**i. Percentage of Investment in a Single Enterprise to Net Asset Value**

As of June 30, 2024 and December 31, 2023

	2024			2023		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Treasury Notes (ISIN) - Republic of the Philippines</b>						
PIID0324C115	-	16,208,702,599	0.00%	539,436,505	20,753,971,117	2.60%
PIID0525H130	606,488,923	16,208,702,599	3.74%	775,030,824	20,753,971,117	3.73%
<b>Bonds</b>						
VISTA LAND & LIFESCAPE 5.6992% 18JUN2025	726,656,951	16,208,702,599	4.48%	727,487,287	20,753,971,117	3.51%
SM PRIME HOLDINGS INC 4.8643% 25MAR2025	184,487,198	16,208,702,599	1.14%	185,104,480	20,753,971,117	0.89%
SAN MIGUEL CORP SMCPL 3.3832 07/08/27	2,000,000,000	16,208,702,599	12.34%	2,000,000,000	20,753,971,117	9.64%
SMC GLOBAL POWER SMCGL 7.6 04/24/26	207,985,898	16,208,702,599	1.28%	210,058,206	20,753,971,117	1.01%
FIRST ABU DHABI FABUH 3.8 04/15/24	-	16,208,702,599	0.00%	1,999,996,620	20,753,971,117	9.64%
N&C Securities (Classic Global Note)	1,000,000,000	16,208,702,599	6.17%	1,000,000,000	20,753,971,117	4.82%
RIZAL COMMERCIAL BANKING 3% 21MAY2024	-	16,208,702,599	0.00%	2,060,000,000	20,753,971,117	9.93%
SM INVESTMENTS CORP 3.5915 02/18/25	295,330,000	16,208,702,599	1.82%	395,330,000	20,753,971,117	1.90%
<b>Term Deposits</b>						
City Savings Bank	-	**	-	1,000,000,000	20,753,971,117	4.82%
Security Bank capital Investment Corp	301,300,000	16,208,702,599	1.86%	-	**	-
Union Bank of the Philippines	2,265,100,000	16,208,702,599	13.97%	2,121,200,000	20,753,971,117	10.22%
Rizal Commercial Banking Corp (RCBC)	246,500,000	16,208,702,599	1.52%	-	**	-
Bank of Philippine Islands	602,400,000	16,208,702,599	3.72%	-	**	-
Maybank Philippines	605,700,000	16,208,702,599	3.74%	-	**	-
Metropolitan Bank and Trust Company	1,107,300,000	16,208,702,599	6.83%	551,400,000	20,753,971,117	2.66%
<b>Investments in UITFs</b>						
SB PESO MONEY MARKET FUND	611,360,747	16,208,702,599	3.77%	-	20,753,971,117	0.00%
METRO MONEY MARKET FUND	1,054,316,263	16,208,702,599	6.50%	1,030,471,997	20,753,971,117	4.97%
CHINA BANK MONEY MARKET FUND	1,925,419,093	16,208,702,599	11.88%	1,679,581,250	20,753,971,117	8.09%
BPI INVEST SHORT TERM FUND	1,947,961	16,208,702,599	0.01%	1,904,116	20,753,971,117	0.01%
BPI INVEST MONEY MARKET FUND	1,823,976,111	16,208,702,599	11.25%	1,781,569,926	20,753,971,117	
MANULIFE MONEY MARKET I	408,200,711	16,208,702,599	2.52%	201,648,717	20,753,971,117	0.97%

ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company

As of June 30, 2024 and December 31, 2023

	Total Investment	Outstanding Securities	% over Investee	Total Investment	Outstanding Securities	% over Investee
<b>Treasury Notes (ISIN) - Republic of the Philippines</b>						
PIID0324C115	-	**	-	540,000,000	3,245,360,020,000	0.02%
PIID0525H130	620,000,000	516,340,790,000	0.12%	800,000,000	235,916,440,000	0.34%
<b>Bonds</b>						
VISTA LAND & LIFESCAPE 5.6992% 18JUN2025	725,000,000	**	-	725,000,000	**	-
SM PRIME HOLDINGS INC 4.8643% 25MAR2025	183,570,000	**	-	183,570,000	**	-
SAN MIGUEL CORP SMCPM 3.3832 07/08/27	2,000,000,000	**	-	2,000,000,000	**	-
SMC GLOBAL POWER SMCGL 7.6 04/24/26	200,000,000	**	-	200,000,000	**	-
FIRST ABU DHABI FABUH 3.8 04/15/24	-	**	-	2,000,000,000	**	-
N&C Securities (Classic Global Note)	1,000,000,000	**	-	1,000,000,000	**	-
BANK PHILIPP ISL BPIPM 2.8068 01/31/24	-	**	-	650,600,000	**	-
BDO UNIBANK INC BDOPM 2.9 01/28/24	-	**	-	1,350,000,000	**	-
RIZAL COMMERCIAL BANKING 3% 21MAY2024	-	**	-	2,060,000,000	**	-
SM INVESTMENTS CORP 3.5915 02/18/25	295,330,000	**	-	395,330,000	-	-
<b>Term Deposits</b>						
City Savings Bank	-	**	-	1,000,000,000	**	-
Security Bank capital Investment Corp	301,300,000	**	-	-	**	-
Union Bank of the Philippines	2,265,100,000	**	-	2,121,200,000	**	-
Rizal Commercial Banking Corp (RCBC)	246,500,000	**	-	-	**	-
Metropolitan Bank and Trust Company	1,107,300,000	**	-	551,400,000	**	-
Maybank Philippines	605,700,000	**	-	-	**	-
Bank of the Philippine Islands	602,400,000	**	-	-	**	-
<b>Investments in UITFs</b>						
SB PESO MONEY MARKET FUND	392,955,873	4,272,379,593	9.20%	-	**	-
METRO MONEY MARKET FUND	567,477,401	40,906,267,594	1.39%	567,477,401	40,969,968,652	1.39%
CHINA BANK MONEY MARKET FUND	1,325,042,387	19,109,268,047	6.93%	1,185,726,262	14,321,803,798	8.28%
BPI INVEST SHORT TERM FUND	11,538	356,398,685	0.00%	11,538	335,840,253	0.00%
BPI INVEST MONEY MARKET FUND	6,376,870	138,563,472	4.60%	6,376,870	124,575,990	5.12%
MANULIFE MONEY MARKET I	374,461,711	4,741,736,488	7.90%	187,353,635	4,449,583,719	4.21%

**iii Total Investment in Liquid or Semi-Liquid Assets to Total Assets**

As of June 30, 2024 and December 31, 2023

	<b>2024</b>	<b>2023</b>
Total Liquid and Semi-Liquid Assets	11,311,929,127	8,969,989,897
TOTAL ASSETS	16,346,642,863	20,871,914,743
Total Liquid and Semi-Liquid Assets to Total Assets	69.20%	42.98%

**iv. Total Operating Expenses to Total Net Worth**

As of June 30, 2024 and December 31, 2023

	<b>2024</b>	<b>2023</b>
Total Operating Expenses	39,736,278	121,403,393
Average Daily Net Worth	18,122,284,126	33,326,651,520
Total Operating Expenses to Total Net Worth	0.22%	0.36%

**v. Total Assets to Total Borrowings**

As of June 30, 2024 and December 31, 2023

	<b>2024</b>	<b>2023</b>
Total Assets	16,346,642,863	20,871,914,743
Total Borrowings	137,940,264	117,943,626
Total Assets to Total Borrowings	11851%	17697%

\*\* Figures not available

SUN LIFE PROSPERITY PESO STARTER FUND, INC.  
Schedule of Investments  
Financial Assets

Name of Issuing Entity and Association of Each Issue	June 30, 2024			December 31, 2023	
	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet	Aggregate Cost	Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
<b>Treasury Bills, Notes and Bonds Issued by the Natational Government</b>	620,000,000	P 606,488,923	P 583,497,847	1,340,000,000	P1,314,467,329
<b>Investments in UITF</b>					
SB PESO MONEY MARKET FUND	392,955,873	611,360,747	600,000,000	-	-
METRO MONEY MARKET FUND	567,477,401	1,054,316,263	1,019,830,186	567,477,401	1,030,471,997
CHINA BANK MONEY MARKET FUND	1,325,042,387	1,925,419,093	1,753,576,083	1,185,726,262	1,679,581,250
BPI INVEST SHORT TERM FUND	11,538	1,947,961	1,777,948	11,538	1,904,116
BPI INVEST MONEY MARKET FUND	6,376,870	1,823,976,111	1,762,099,214	6,376,870	1,781,569,926
MANULIFE MONEY MARKET I	374,461,711	408,200,711	400,000,000	187,353,635	201,648,717
	2,666,325,780	5,825,220,886	5,537,283,430	1,946,945,705	4,695,176,007
<b>Corporate Bonds and Loans</b>					
<b>Domestic</b>					
VISTA LAND & LIFESCAPE 5.6992% 18JUN2025	725,000,000	726,656,951	732,596,211	725,000,000	727,487,287
SM PRIME HOLDINGS INC 4.8643% 25MAR2025	183,570,000	184,487,198	188,761,653	183,570,000	185,104,480
SAN MIGUEL CORP SMCPM 3.3832 07/08/27	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
SMC GLOBAL POWER SMCGL 7.6 04/24/26	200,000,000	207,985,898	220,758,496	200,000,000	210,058,206
BANK PHILIPP ISL BPIPM 2.8068 01/31/24	-	-	-	650,600,000	650,600,000
BDO UNIBANK INC BDOPM 2.9 01/28/24	-	-	-	1,350,000,000	1,350,000,000
RIZAL COMMERCIAL BANKING 3% 21MAY2024	-	-	-	2,060,000,000	2,060,000,000
SM INVESTMENTS CORP 3.5915 02/18/25	295,330,000	295,330,000	295,330,000	395,330,000	395,330,000
	3,403,900,000	3,414,460,048	3,437,446,359	7,564,500,000	7,578,579,972
<b>Foreign</b>					
FIRST ABU DHABI FABUH 3.8 04/15/24	-	-	-	2,000,000,000	1,999,996,620
N&C Securities (Classic Global Note)	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000	1,000,000,000	3,000,000,000	2,999,996,620
<b>Term Deposits</b>					
City Savings Bank	-	-	-	1,000,000,000	1,000,000,000
Security Bank capital Investment Corp	301,300,000	301,300,000	301,300,000	-	-
Union Bank of the Philippines	2,265,100,000	2,265,100,000	2,265,100,000	2,121,200,000	2,121,200,000
Rizal Commercial Banking Corp (RCBC)	246,500,000	246,500,000	246,500,000	-	-
Metropolitan Bank and Trust Company	1,107,300,000	1,107,300,000	1,107,300,000	551,400,000	551,400,000
Maybank Philippines	605,700,000	605,700,000	605,700,000	-	-
Bank of the Philippine Islands	602,400,000	602,400,000	602,400,000	-	-
	5,128,300,000	5,128,300,000	5,128,300,000	3,672,600,000	3,672,600,000
<b>GRAND TOTAL</b>	<b>12,818,525,780</b>	<b>P15,974,469,856</b>	<b>P15,686,527,636</b>	<b>17,524,045,705</b>	<b>P20,260,819,928</b>

This document contains key information clients of Sun Life Prosperity Peso Starter Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

<b>Launch Date</b>	July 1, 2004	<b>Fund Classification</b>	Money Market Fund	<b>Minimum Holding Period</b>	7 days
<b>Fund Size</b>	PHP 16,200,943,244.01	<b>Minimum Subscription</b>	PHP 100	<b>Early Redemption Fee</b>	0.25%
<b>Net Asset Value Per Share</b>	1.3979	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 100	<b>Redemption Settlement</b>	T+1 business day
<b>Benchmark</b>	100% Philippines Peso TD Rate 1-3 Months, net of tax	<b>Transfer Agency Fee</b>	0.25%	<b>Bloomberg Ticker</b>	SNLFMNY PM Equity
<b>Fund Structure</b>	Mutual Fund (Shares)		0.15%		

## What does the Fund invest in?

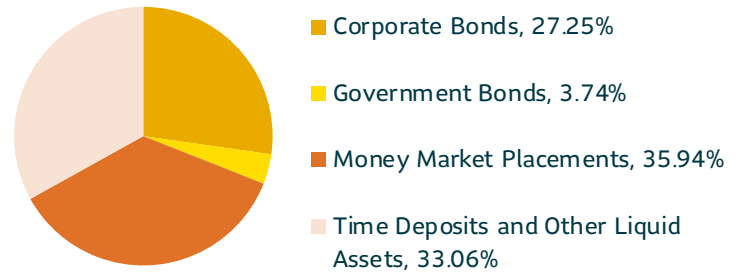
The **Sun Life Prosperity Peso Starter Fund** (formerly Sun Life Prosperity Money Market Fund) aims to generate income in Philippine Pesos consistent with prudent management of the Fund's assets.

The Fund is suitable for investors with a **conservative risk profile** and a short-term investment horizon. This is for investors who are looking for alternative investment options which could offer potentially better returns than a bank savings account. These investors may also have an immediate need for their funds (less than one year) and they are looking for relatively safe and stable investments where they can park their money and still potentially earn modest returns.

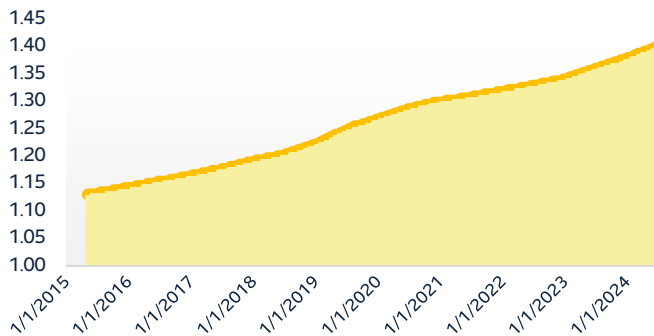
### Top Fixed Income Holdings

1. Time Deposit, 13.98%
2. Corporate Bond 2024, 12.34%
3. Money Market - Other Banks, 11.88%
4. Money Market - Other Banks, 11.25%
5. Time Deposit, 6.83%

### Investment Mix



## How has the Fund performed?



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	0.27%	1.63%	3.05%	7.09%	12.33%
<b>Benchmark</b>	0.33%	2.10%	4.14%	7.41%	9.87%

### ASSET VALUATION

<b>Marked-to-Market</b>	69.0%
<b>Amortized Cost</b>	31.0%

#### Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

## Market Review and Outlook

- Short-term Philippine Peso-denominated instruments saw a 0.47% return month-on-month.
- Yields on local bank deposit rates and short-term government issued bills were mostly unchanged over June.
- The Bangko Sentral ng Pilipinas (BSP) kept its policy rate steady during its June meeting, though their post meeting communication alluded to lower policy rates for the year. BSP Governor Remolona indicated that they are ready to cut rates twice this year, with the first one potentially coming ahead of the US Federal Reserve's.
- Yields on short-term debt and deposits are expected to move sideways until the BSP enforces policy rate cuts.
- The Peso Starter Fund has returned 1.63% from the start of the year.

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<b>Launch Date</b>	July 1, 2004	<b>Fund Classification</b>	Money Market Fund	<b>Minimum Holding Period</b>	7 days
<b>Fund Size</b>	PHP 16,655,649,884.43	<b>Minimum Subscription</b>	PHP 100	<b>Early Redemption Fee</b>	0.25%
<b>Net Asset Value Per Share</b>	1.3942	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 100	<b>Redemption Settlement</b>	T+1 business day
<b>Benchmark</b>	100% Philippines Peso TD Rate 1-3 Months, net of tax	<b>Transfer Agency Fee</b>	0.25%	<b>Bloomberg Ticker</b>	SNLFMNY PM Equity
<b>Fund Structure</b>	Mutual Fund (Shares)		0.15%		

## What does the Fund invest in?

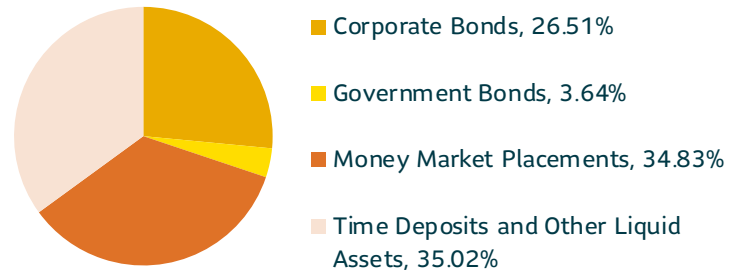
The **Sun Life Prosperity Peso Starter Fund** (formerly Sun Life Prosperity Money Market Fund) aims to generate income in Philippine Pesos consistent with prudent management of the Fund's assets.

The Fund is suitable for investors with a **conservative risk profile** and a short-term investment horizon. This is for investors who are looking for alternative investment options which could offer potentially better returns than a bank savings account. These investors may also have an immediate need for their funds (less than one year) and they are looking for relatively safe and stable investments where they can park their money and still potentially earn modest returns.

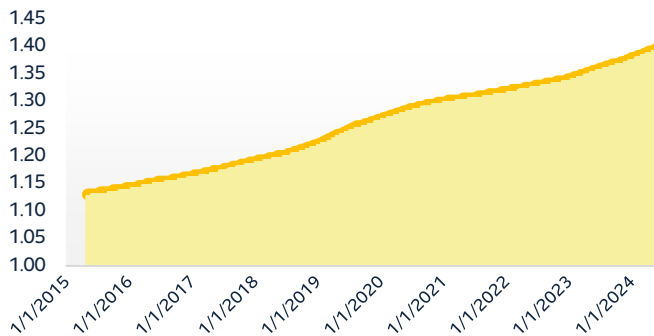
### Top Fixed Income Holdings

1. Time Deposit, 14.76%
2. Corporate Bond 2024, 12.01%
3. Money Market - Other Banks, 11.51%
4. Money Market - Other Banks, 10.91%
5. Money Market - Other Banks, 6.31%

### Investment Mix



## How has the Fund performed?



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	0.29%	1.36%	2.98%	6.90%	12.43%
<b>Benchmark</b>	0.34%	1.76%	4.08%	7.15%	9.61%

### ASSET VALUATION

<b>Marked-to-Market</b>	69.0%
<b>Amortized Cost</b>	31.0%

#### Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

## Market Review and Outlook

- Short-term Philippine Peso-denominated instruments saw a 0.54% return month-on-month.
- Local bank deposit rates and short-term government issued bills were unchanged over May.
- The Bangko Sentral ng Pilipinas (BSP) maintained its policy rate at 6.5% in its May Monetary Board meeting. May CPI printed at +3.9%, lower than expected but slightly higher than the previous month's print.
- Yields on short-term debt and deposits are expected to remain elevated in the near-term as the BSP has yet to cut policy rates.
- The Peso Starter Fund has returned 1.36% from the start of the year.

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<b>Launch Date</b>	July 1, 2004	<b>Fund Classification</b>	Money Market Fund	<b>Minimum Holding Period</b>	7 days
<b>Fund Size</b>	PHP 17,684,675,545.00	<b>Minimum Subscription</b>	PHP 100	<b>Early Redemption Fee</b>	0.25%
<b>Net Asset Value Per Share</b>	1.3901	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 100	<b>Redemption Settlement</b>	T+1 business day
<b>Benchmark</b>	100% Philippines Peso TD Rate 1-3 Months, net of tax	<b>Transfer Agency Fee</b>	0.25%	<b>Bloomberg Ticker</b>	SNLFMNY PM Equity
<b>Fund Structure</b>	Mutual Fund (Shares)		0.15%		

## What does the Fund invest in?

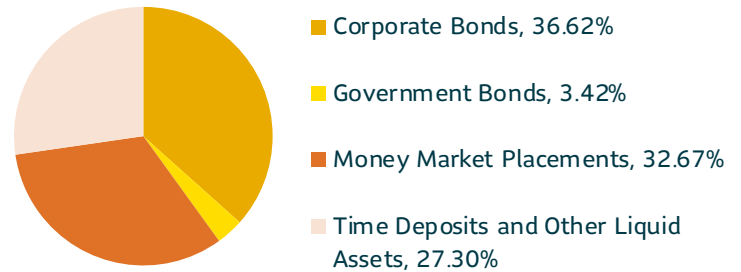
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The Fund is suitable for investors with a **conservative risk profile** and a short-term investment horizon. This is for investors who are looking for alternative investment options which could offer potentially better returns than a bank savings account. These investors may also have an immediate need for their funds (less than one year) and they are looking for relatively safe and stable investments where they can park their money and still potentially earn modest returns.

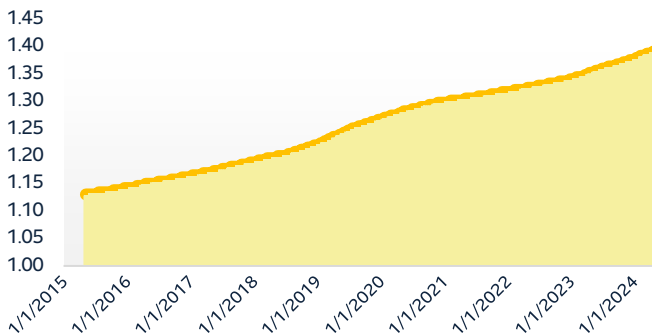
### Top Fixed Income Holdings

1. Corporate Bond 2024, 11.65%
2. Corporate Bond 2024, 11.31%
3. Time Deposit, 11.03%
4. Money Market - Other Banks, 10.79%
5. Money Market - Other Banks, 10.23%

### Investment Mix



## How has the Fund performed?



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	0.29%	1.06%	2.96%	6.73%	12.48%
<b>Benchmark</b>	0.38%	1.42%	4.04%	6.89%	9.36%

### ASSET VALUATION

<b>Marked-to-Market</b>	58.0%
<b>Amortized Cost</b>	42.0%

#### Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

## Market Review and Outlook

- Money market returns were flat for the month.
- Following longer-dated bonds, time deposit and money market rates moved 10-30 basis points (bps; 0.1-0.3%) higher in April.
- The Bangko Sentral ng Pilipinas (BSP) maintained its policy rate at its current level in its April Monetary Board meeting. Inflation posted a slight uptick for the month, but still came in within in the central bank's 2-4% target range.
- Yields on short-term debt and deposits are expected to remain elevated in the near-term.
- The Sun Life Prosperity Peso Starter Fund has returned 1.06% from the start of the year.

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**From:** [ICTD Submission](#)  
**To:** [sunlife\\_sec\\_communications](#)  
**Subject:** Re: CGFD\_Sun Life Prosperity Peso Starter Fund, Inc.\_SEC Form 17-L\_07August2024  
**Date:** Wednesday, August 7, 2024 7:16:00 PM

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----- NOTICE TO  
COMPANIES -----

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Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

Please be informed that the submission of the abovementioned eleven (11) reports through the [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) shall no longer be accepted. For further information, please access this link Notice for guidance on the filing of reports:

Likewise, the following reports shall be filed through the Electronic Filing and Submission Tool (eFAST) at <https://efast.sec.gov.ph/user/login> :

1. AFS 7. IHFS 13. SSF

2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC\_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

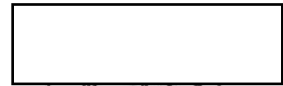


## Certification

I, Jeanemar S. Talaman, the Treasurer of Sun Life Asset Management Company, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number A199918034 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

- 1) That I have caused this SEC Form 17-L to be prepared on behalf of Sun Life Prosperity Funds (17 Mutual Fund Companies);
  - i. Sun Life of Canada Prosperity Bond Fund, Inc.
  - ii. Sun Life of Canada Prosperity Balanced Fund, Inc.
  - iii. Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
  - iv. Sun Life Prosperity Dollar Advantage Fund, Inc.
  - v. Sun Life Prosperity Peso Starter Fund, Inc.
  - vi. Sun Life Prosperity Dollar Abundance Fund, Inc.
  - vii. Sun Life Prosperity GS Fund, Inc.
  - viii. Sun Life Prosperity Dynamic Fund, Inc.
  - ix. Sun Life Prosperity Philippine Stock Index Fund, Inc.
  - x. Sun Life Prosperity Dollar Wellspring Fund, Inc.
  - xi. Sun Life Prosperity World Voyager Fund, Inc.
  - xii. Sun Life Prosperity Dollar Starter Fund, Inc.
  - xiii. Sun Life Prosperity Achiever Fund 2028, Inc.
  - xiv. Sun Life Prosperity Achiever Fund 2038, Inc.
  - xv. Sun Life Prosperity Achiever Fund 2048, Inc.
  - xvi. Sun Life Prosperity World Equity Index Feeder Fund, Inc.
  - xvii. Sun Life Prosperity World Income Fund, Inc.
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the companies Sun Life Asset Management Company, Inc. and Sun Life Prosperity Funds will comply with the requirements set forth in SEC Notice dated 14 May 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That I am fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its online submissions to CGFD.

IN WITNESS WHEREOF, I have hereunto set my hand this 6<sup>th</sup> day of August, 2024.



Jeanemar S. Talaman  
Affiant

**AUG 06 2024**

**MAKATI CITY**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, in \_\_\_\_\_ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Valid Until	Place of Issue
Jeanemar S. Talaman			

Doc. No. 470;  
Page No. 97;  
Book No. 35;  
Series of 2024.

**ATTY ROMEO M MONFORT**

Notary Public City of Makati

Until December 31, 2025

Appointment No. 24-032 (2024-2025)

PTR No. 1007800 Jan 2, 2024 Makati City

IBP No. 341330 Jan 3, 2014 Pasig / Roll No. 27932

MCB NO. VII-5027579 Issued April 3, 2023

161 Urban Ave. Campos Rueda Bldg.

Bagy Pio Del Pilar, Makati City

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-L**

**NOTIFICATION OF INABILITY TO FILE ALL OR  
ANY PORTION OF SEC FORM 17-A OR 17-Q**

**GENERAL INSTRUCTIONS**

1. This Form may be signed by an executive officer of the issuer or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the issuer by an authorized representative other than an executive officer, evidence of the representative's authority to sign on behalf of the issuer shall be filed with the Form.
2. One signed original and four conformed copies of this Form and attachments thereto must be completed and filed with the Commission and, where any class of the issuer's securities are listed on a Stock Exchange, one with that Stock Exchange, in accordance with SRC Rule 17-1. The information contained in or filed with the Form will be made a matter of the public record in the Commission's and the Exchange's files.
3. A manually signed copy of the Form and amendments thereto shall be filed with the Stock Exchange if any class of securities of the issuer is listed thereon.
4. One signed original and four conformed copies of amendments to the notifications must also be filed on SEC Form 17-L but need not restate information that has been correctly furnished. The Form shall be clearly identified as an amended notification.
5. If the deadline for filing SEC Form 17-A or 17-Q specified in paragraph 2(b)(ii) of SRC Rule 17-1 is not complied with, a fine will be imposed for each day thereafter that the Form is not filed.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-L

NOTIFICATION OF INABILITY TO FILE ALL OR ANY PORTION OF SEC FORM 17-A OR 17-Q

Check One:

Form 17-A [ ] Form 17-Q [ ✓ ]

Period-Ended Date of required filing June 30, 2024

Date of this report August 06, 2024

Nothing in this Form shall be construed to imply that the Commission has verified any information contained herein.

If this notification relates to a portion or portions of the filing checked above, identify the item(s) to which the notification relates: SEC FORM 17-Q

1. SEC Identification Number A199908715 2. BIR Tax Identification No. 204-843-519-000

3. Sun Life of Canada Prosperity Bond Fund, Inc.  
Exact name of issuer as specified in its charter

4. Bonifacio Global City, Taguig City  
Province, country or other jurisdiction of incorporation

5. Industry Classification Code:  (SEC Use Only)

6. 8F Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634

.....  
Address of principal office

.....  
Postal Code

7. (02) – 85558888  
Issuer's telephone number, including area code

8. N. A.  
Former name, former address, and former fiscal year, if changed since last report.

9. Are any of the issuer's securities listed on a Stock Exchange?  
Yes [ ] No [ X ]  
If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
.....

**Part I - Representations**

If the subject report could not be filed without unreasonable effort or expense and the issuer seeks relief pursuant to SRC Rule 17-1, the following should be completed. (Check box if appropriate)

(a) The reasons described in reasonable detail in Part II of this Form could not be estimated without unreasonable effort or expense. [ ]

(b) The subject annual report on SEC Form 17-A, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report on SEC Form 17-Q, or portion thereof, will be filed on or before the fifth day following the prescribed due date. [ ✓ ]

(c) The accountant's statement or other exhibit required by paragraph 3 of SRC Rule 17-1 has been attached if applicable. [ ]

**Part II - Narrative**

State below in reasonable detail the reasons why SEC Form 17-A or SEC Form 17-Q, or portion thereof, could not be filed within the prescribed period. (Attach additional sheets if needed.)

**The Company's SEC Form 17-Q for the quarter ending June 30, 2024 could not be completed and filed within the prescribed period. The Company has yet to complete the review of its financial statements and required notes disclosures. The Company undertakes to submit the report within five (5) calendar days after the prescribed deadline to the Securities and Exchange Commission.**

**Part III - Other Information**

(a) Name, address and telephone number, including area code, and position/title of person to contact in regard to this notification

**Jeanemar S. Talaman  
Treasurer, Sun Life Asset Management Company, Inc.  
Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634  
8555-8888**

(b) Have all other periodic reports required under Section 17 of the Code and under Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months, or for such shorter period that the issuer was required to file such report(s), been filed? If the answer is no, identify the report(s).

Yes [ ✓ ] No [ ] Reports: .....

(c) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes [ ] No [ ✓ ]

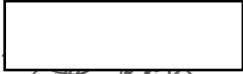
If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

**SIGNATURE**

Pursuant to the requirements of the SRC Rule 17-1, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Sun Life of Canada Prosperity Bond Fund, Inc.**

Registrant's full name as contained in charter



**JEANEMAR S. TALAMAN**  
**Treasurer, Sun Life Asset Management Company, Inc**

Date: **August 06, 2024**

**From:** [sunlife\\_sec\\_communications](#)  
**To:** [ICTD Submission](#); [CGFD Account](#)  
**Cc:** [Jeanemar Talaman](#); [PHIL-FIN FAR2](#)  
**Subject:** CGFD\_Sun Life Prosperity Peso Starter Fund, Inc.\_SEC Form 17-L\_07August2024  
**Date:** Wednesday, August 7, 2024 7:15:45 PM  
**Attachments:** [Sun Life Prosperity Peso Starter Fund, Inc. SEC Form 17-L\\_07August2024.pdf](#)

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To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life Prosperity Peso Starter Fund, Inc.

Please let me know once you receive this e-mail and its attachment.

For any queries / additional comments, kindly contact us at the following e-mail addresses below.

Official email address: [sunlife\\_sec\\_communications@sunlife.com](mailto:sunlife_sec_communications@sunlife.com)

Alternative email address: [sunlife\\_sec\\_communications2@sunlife.com](mailto:sunlife_sec_communications2@sunlife.com)

Official email address of authorized filer: [Mariel.Javal@sunlife.com](mailto:Mariel.Javal@sunlife.com)

Regards,

**Mariel T. Javal** | Financial Accounting & Reporting | Finance

T: 632 8555 8888 | E:

5F Sun Life Centre, Fifth Ave. cor. Rizal Drive, Bonifacio Global City, Taguig 1634

