

## **sunlife\_sec\_communications**

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**From:** sunlife\_sec\_communications  
**Sent:** Tuesday, November 19, 2024 3:45 PM  
**To:** 'ICTD Submission'  
**Cc:** 'CGFD LD'; Jeanemar Talaman; PHIL-FIN\_FAR2  
**Subject:** CGFD\_Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-Q\_19November2024  
**Attachments:** Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-Q\_19November2024.pdf

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 September 30, 2024 of Sun Life of Canada Prosperity Balanced 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: [elyza.jane.de.castro@sunlife.com](mailto:elyza.jane.de.castro@sunlife.com)

Thank you.

Best Regards,

Elyza Jane De Castro | Finance – Financial Accounting & Reporting | [Sun Life PH](#)

T: 632 8555 8888 | E: [elyza.jane.de.castro@sunlife.com](mailto:elyza.jane.de.castro@sunlife.com)

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



Life's brighter under the sun

## **sunlife\_sec\_communications**

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**From:** ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
**Sent:** Tuesday, November 19, 2024 3:45 PM  
**To:** sunlife\_sec\_communications  
**Subject:** Re: CGFD\_Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-Q\_19November2024

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Thank you for reaching out to 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.

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 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 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-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 14<sup>th</sup> day of November, 2024.

  
Jeanemar S. Talaman  
Affiant

SUBSCRIBED AND SWORN to before me this **NOV 14 2024** day of **MAKATI CITY**, 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. 418  
Page No. 85  
Book No. 43  
Series of 2024.

**ATTY ROMEO M. MONFORT**  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
PTR No. 10073908 Jan 2 2024 Makati City  
IBP No. 391370- Jan 3 2014 Pasig / Roll No. 2/937  
MCLE NO. VII-0027570 Issued April 3, 2023  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

# COVER SHEET

**A199908713**

S.E.C. Registration Number

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

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

**Jeanemar S. Talaman**  
Contact Person

**8555-8888**  
Company Telephone Number

1	2	3	1
Month		Day	

Fiscal Year

SEC FORM 17-Q

FORM TYPE

Month		Day	

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number: A199908713

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

SUN LIFE OF CANADA PROSPERITY BALANCED 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)

September 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: September 30, 2024
2. Commission identification number: A199908713
3. BIR Tax Identification No: 204-583-064-000
4. Exact name of issuer as specified in its charter

Sun Life of Canada Prosperity Balanced Fund, Inc.

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

Philippines

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 September 30, 2024)

Common Shares (Unclassified)

1,769,677,452 shares

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 OF CANADA PROSPERITY BALANCED FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2024 AND DECEMBER 31, 2023**

		<b>(Unaudited)</b>	(Audited)
	<b>Notes</b>	<b>2024</b>	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash in banks	4	<b>P 64,144,223</b>	P 61,622,135
Financial assets at fair value through profit or loss	5	<b>6,327,146,677</b>	6,333,150,697
Financial assets at amortized cost	6	-	85,735,688
Due from brokers	11	<b>567,929</b>	48,501,636
Accrued interest receivable	7	<b>40,448,978</b>	39,091,554
Dividends receivable	8	<b>433,062</b>	2,510,356
Other current assets	9	<b>1,761,828</b>	1,435,337
Total Current Assets		<b>6,434,502,697</b>	6,572,047,403
<b>Non-current Asset</b>			
Financial assets at amortized cost	6	<b>194,619,411</b>	194,504,668
		<b>P6,629,122,108</b>	P6,766,552,071
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	10	<b>P 20,317,268</b>	P 8,821,588
Due to brokers	11	-	5,883,249
Payable to fund manager	12	<b>12,366,982</b>	12,740,152
Total Current Liabilities		<b>32,684,250</b>	27,444,989
<b>Equity</b>			
Share capital	13	<b>48,379,352</b>	48,379,352
Additional paid-in capital	14	<b>12,264,102,966</b>	12,264,228,552
Retained earnings		<b>5,661,919,703</b>	5,075,332,510
		<b>17,974,402,021</b>	17,387,940,414
Treasury shares	13	<b>(11,377,964,163)</b>	(10,648,833,332)
Total Equity		<b>6,596,437,858</b>	6,739,107,082
		<b>P6,629,122,108</b>	P6,766,552,071
<b>Net Asset Value Per Share</b>	15	<b>P 3.7275</b>	P 3.4081
<b>Total Equity</b>		<b>6,596,437,858</b>	6,739,107,082
Capital Stock - Php0.01 per share			
Authorized - 5,000,000,000 shares			
Total number of shares outstanding		<b>1,769,677,452</b>	1,977,357,801
<b>Net Asset Value Per Share</b>	15	<b>P 3.7275</b>	P 3.4081

**See Notes to Financial Statements.**

**SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023**

		(Unaudited)	(Unaudited)
	Notes	2024	2023
<b>Investment Income - net</b>			
Net realized gains (loss) on investments	5	(P 4,014,364)	P 59,861,581
Interest income	16	136,393,585	146,565,368
Dividend income	5	81,218,590	71,536,719
		<b>213,597,811</b>	277,963,668
<b>Investment Expenses</b>			
Commission	11	4,814,961	11,428,442
Clearing fees		225,503	443,054
		<b>5,040,464</b>	11,871,496
<b>Net Investment Income</b>		<b>208,557,347</b>	266,092,172
<b>Operating Expenses</b>			
Management and transfer fees	12	63,632,038	68,876,541
Distribution fees	12	55,332,207	59,890,815
Custodianship fees		739,476	886,842
Taxes and licenses		568,638	595,245
Professional fees		232,381	191,055
Directors fees	12	191,177	225,027
Reversal of expected credit losses	6	(114,743)	(220,234)
Printing and supplies		21,863	24,531
Miscellaneous		50,931	35,358
		<b>120,653,968</b>	130,505,180
<b>Profit Before Net Unrealized Gains (Losses) on Investments</b>		<b>87,903,379</b>	135,586,992
<b>Net Unrealized Gains (Loss) on Investments</b>	5	<b>530,074,926</b>	(117,084,493)
<b>Profit Before Tax</b>		<b>617,978,305</b>	18,502,499
<b>Income Tax Expense</b>		<b>31,391,112</b>	36,248,804
<b>Total Comprehensive Income (Loss) for the Period</b>		<b>P 586,587,193</b>	(P17,746,305)
<b>Basic Earnings (Loss) per Share</b>		<b>P 0.313</b>	(P 0.008)

*See Notes to Financial Statements.*

**SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023**

	(Unaudited)	(Unaudited)
	2024	2023
<b>Investment Income - net</b>		
Net realized loss on investments	(P76,761,514)	(P13,351,310)
Interest income	92,417,975	101,872,988
Dividend income	42,051,054	34,228,477
	<b>57,707,515</b>	<b>122,750,155</b>
<b>Investment Expenses</b>		
Commission	2,783,312	5,609,760
Clearing fees	141,416	218,807
	<b>2,924,728</b>	<b>5,828,567</b>
<b>Net Investment Income</b>	<b>54,782,787</b>	<b>116,921,588</b>
<b>Operating Expenses</b>		
Management and transfer fees	41,842,785	45,611,364
Distribution fees	36,385,031	39,662,056
Custodianship fees	499,942	569,849
Taxes and licenses	391,945	393,864
Directors fees	118,591	147,897
Professional fees	(178,428)	(283,919)
Reversal of expected credit losses	(51,489)	(158,532)
Printing and supplies	15,034	16,123
Miscellaneous	40,773	(46,439)
	<b>79,064,184</b>	<b>85,912,263</b>
<b>Profit (Loss) Before Net Unrealized Gains (Losses) on Investments</b>	<b>(24,281,397)</b>	<b>31,009,325</b>
<b>Net Unrealized Gains (Losses) on Investments</b>	<b>337,377,713</b>	<b>(102,713,867)</b>
<b>Profit (Loss) Before Tax</b>	<b>313,096,316</b>	<b>(71,704,542)</b>
<b>Income Tax Expense</b>	<b>21,538,897</b>	<b>21,002,520</b>
<b>Total Comprehensive Income (Loss) for the Quarter</b>	<b>P 291,557,419</b>	<b>(P92,707,062)</b>
<b>Basic Earnings (Loss) per Share</b>	<b>P 0.155</b>	<b>P (0.044)</b>

*See Notes to Financial Statements.*

**SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023**

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2024	13, 14	P48,379,352	P12,264,228,552	P5,075,332,510	(P10,648,833,332)	P6,739,107,082
Net income for the period		-	-	586,587,193	-	586,587,193
Transactions with owners:	13, 14					
Acquisition of treasury shares during the period		-	-	-	(835,697,626)	(835,697,626)
Reissuance of treasury shares during the period		-	(125,586)	-	106,566,794	106,441,208
Total transactions with owners		-	(125,586)	-	(729,130,831)	(729,256,417)
<b>Balance, September 30, 2024</b>	13, 14	<b>P48,379,352</b>	<b>P12,264,102,966</b>	<b>P5,661,919,703</b>	<b>(P11,377,964,163)</b>	<b>P6,596,437,858</b>

		Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2023		P48,379,352	P12,274,836,993	P4,921,885,270	(P10,007,423,963)	P7,237,677,652
Net loss for the period		-	-	(17,746,305)	-	(17,746,305)
Transactions with owners:						
Acquisition of treasury shares during the period		-	-	-	(527,123,897)	(527,123,897)
Reissuance of treasury shares during the period		-	5,837,785	-	108,947,166	114,784,951
Total transactions with owners		-	5,837,785	-	(418,176,731)	(412,338,946)
Balance, September 30, 2023	P	48,379,352	P12,280,674,778	P4,904,138,965	(P10,425,600,694)	P6,807,592,401

**See Notes to Financial Statements.**

**SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024 AND SEPTEMBER 30, 2023**

	Notes	(Unaudited) 2024	(Unaudited) 2023
<b>Cash Flows from Operating Activities</b>			
Profit before tax		P 617,978,305	P 18,502,499
Adjustments for:			
Net unrealized gains on investments	5	(530,074,926)	117,084,493
Net realized loss on investments	5	4,014,364	(59,861,581)
Interest income	16	(136,393,585)	(146,565,368)
Dividend income		(81,218,590)	(71,536,719)
Reversal of expected credit losses	6	(114,743)	(220,234)
Operating cash flows before working capital changes		(125,809,175)	(142,596,910)
Increase in:			
Other current assets		(326,491)	(544,906)
Increase (Decrease) in:			
Accrued expenses and other payables		11,495,680	2,212,409
Due to brokers		(5,883,249)	(2,403,645)
Payable to fund manager		(373,170)	(1,465,837)
Cash used in operations		(120,896,405)	(144,798,889)
Acquisitions of financial assets at fair value through profit or loss		(3,596,789,037)	(5,427,434,895)
Proceeds from disposal of financial assets at fair value through profit or loss		4,176,787,326	5,833,633,436
Interest received		134,850,719	142,107,135
Dividends received		83,295,884	72,880,697
Income taxes paid		(31,391,112)	(36,248,804)
Net cash generated from operating activities		645,857,375	440,138,680
<b>Cash Flows from Investing Activities</b>			
Investment in corporate loans		-	(634,392)
Proceeds from principal collections of loan receivables		85,921,130	24,013,921
Net cash generated from investing activities		85,921,130	23,379,529
<b>Cash Flows from Financing Activities</b>			
Proceeds from reissuance of treasury shares		106,441,208	114,784,951
Payments for acquisition of treasury shares		(835,697,626)	(527,123,897)
Net cash used in financing activities		(729,256,417)	(412,338,946)
<b>Net Increase in Cash and cash equivalents</b>		<b>2,522,088</b>	<b>51,179,263</b>
<b>Cash and cash equivalents, Beginning</b>		<b>61,622,135</b>	<b>106,451,645</b>
<b>Cash and cash equivalents, End</b>		<b>P 64,144,223</b>	<b>P 157,630,908</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 nine-month period ended September 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 as at Reporting Period Ended December 31, 2023

The Company adopted all accounting standards and interpretations as at December 31, 2023. 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 have no impact on the financial statements as Congress has not enacted a law recognizing the applicability of Pillar Two Reform in the Philippines.

#### 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

The Company assessed that the amendments have no material impact on the financial statements.

### 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
- 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 group classifies its debt instruments:

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

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

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

For financial instruments other than purchased or originated credit-impaired (POCI) financial assets, 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 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:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow 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 are 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 FVOCI 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.

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

Loss allowances for ECL are presented in the statement 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, but is transferred to retained earnings.

## **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, due to brokers and payable to fund manager.

#### *Derecognition of financial liabilities*

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

### 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.

### **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.

### Transaction price

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

### Dividend income

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

### 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.

### **Expense Recognition**

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

### **Fair Value**

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

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

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

### **Related Party Transactions**

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit

plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

## **Taxation**

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

### Current tax

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

### Final tax

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

### Deferred tax

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

### Current and deferred taxes for the year

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

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

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

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

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

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

	September 2024	December 2023
Cash in banks	P 64,144,223	P 61,622,135

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

This account consists of:

	September 2024	December 2023
Investments in listed equity securities	P 3,489,021,582	P 3,641,428,051
Investments in fixed - income securities	2,838,125,095	2,691,722,646
	P 6,327,146,677	P 6,333,150,697

Investments in listed equity securities are composed of ordinary shares while investments in fixed income securities are composed of corporate bonds and treasury notes.

The Company recognized dividend income from investments in listed equity amounting to P 81,218,590 and P 71,536,719 as at September 30, 2024 and 2023, respectively.

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

	September 2024	December 2023
Net realized gains (losses) on investments in:		
Equity securities	P (7,361,791)	P 6,455,568
Fixed- income securities	3,347,427	(51,068,647)
	(4,014,364)	(44,613,079)
Net unrealized gains (losses) on investments in:		
Equity securities	482,142,664	5,817,303
Fixed- income securities	47,932,263	139,723,487
	530,074,926	145,540,790
	P 526,060,562	P 100,927,711

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

	September 2024	December 2023
Beginning balance	P 6,333,150,697	P 6,816,144,279
Additions	3,596,789,037	7,040,207,035
Disposal	(4,132,867,984)	(7,668,741,407)
Unrealized gains	530,074,926	145,540,790
Ending balance	P 6,327,146,677	P 6,333,150,697

#### 6. FINANCIAL ASSETS AT AMORTIZED COST

This account consists of:

	September 2024	December 2023
Corporate loans		
Current	P -	P 85,735,688
Non-current	194,876,000	194,876,000
Expected credit losses	(256,589)	(371,332)
	P 194,619,411	P 280,240,356

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

	September 2024	December 2023
Beginning balance	P 280,240,356	P 312,839,810
Repayments	(85,921,130)	(33,032,107)
Amortization of discounts	185,442	128,035
Reversal of credit losses	114,743	304,618
Ending balance	P 194,619,411	P 280,240,356

#### 7. ACCRUED INTEREST RECEIVABLE

	September 2024	December 2023
Fixed-income securities	P 37,936,440	P 32,407,383
Corporate loans	2,512,538	6,684,171
	P 40,448,978	P 39,091,554

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

#### 8. DIVIDENDS RECEIVABLE

	September 2024	December 2023
Dividends Receivable	P 433,062	P 2,510,356

9. OTHER CURRENT ASSETS

	September 2024	December 2023
Prepaid Tax	P 957,756	P 860,011
Creditable Withholding Tax	607,171	575,326
Prepaid Expenses	196,901	-
	<b>P 1,761,828</b>	<b>P 1,435,337</b>

10. ACCRUED EXPENSES AND OTHER PAYABLES

	September 2024	December 2023
Due to investors	P 18,916,327	P 7,311,667
Withholding and documentary stamp taxes	1,116,986	1,111,104
Professional fees	232,381	310,774
Custodianship fees	51,574	88,043
	<b>P 20,317,268</b>	<b>P 8,821,588</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 three days after the transaction date. In line with the announcement of the Securities Clearing Corporation of the Philippines (SCCP) that stock market transaction settlement will change from three (3) clearing days settlement cycle to two (2) clearing days, the Company, effective September 11, 2023, changed the redemption and switch out settlement schedules from three (3) days to two (2) days after the transaction date.

11. DUE FROM/TO BROKERS

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

Due from brokers amounted to P567,929 and P48,501,636 as at September 30, 2024 and December 31, 2023, respectively.

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

Due to brokers amounted to nil and P5,883,249 as at September 30, 2024 and December 31, 2023, respectively.

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

Commission expense amounting to P4,814,961 and P11,428,442 in September 30, 2024 and 2023, respectively, are paid to brokers when buying and selling shares of stock.

## 12. 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 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
	Q3 2024	Q3 2024	December 2023			
SLAMCI - Fund Manager Management Distribution and Transfer fees	P 118,964,245	P 12,366,982	P 12,740,152		Non-interest bearing; Annual rate of 2.15% 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 191,177	P -	P -		Payable on demand; settled in cash	Unsecured; Unguaranteed

## 13. EQUITY

	2024	
	Shares	Amount
Authorized: P0.01 par value		
At January 1	5,000,000,000	P 50,000,000
Issued and fully paid:		
At January 1	4,837,935,154	P 48,379,352
At September 30	4,837,935,154	P 48,379,352
Treasury shares:		
At January 1	2,860,577,353	P 10,648,833,332
Acquired during the period	238,078,272	835,697,626
Reissuance	(30,397,923)	(106,566,794)
At September 30	3,068,257,702	P 11,377,964,163

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

### *Incorporation*

The Company was incorporated on December 21, 1999 with 200,000,000 registered shares at an initial par value of P1.00 per share. The SEC approved the change in the par value on October 10, 2008.

### *Approved changes*

On May 13, 2005 and February 12, 2006, the shareholders and the Board of Directors, respectively, approved the reduction of the par value per share from P1.00 to P0.01.

On May 12, 2006, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares.

On April 24, 2007, the Board of Directors approved the first tranche of share capital increase by 3,800,000,000 (from 200,000,000 shares to 4,000,000,000 shares both with par value of P0.01). The

SEC approved the increase on October 10, 2008 and the registration statements on November 24, 2010.

On March 22, 2013, the Board of Directors approved the second tranche of share capital increase by 1,000,000,000 (from 4,000,000,000 shares to 5,000,000,000 shares both with par value of P0.01).

On December 26, 2013, the Company filed its application to increase its authorized share capital by 1,000,000,000 shares. Said application was favorably endorsed by the SEC's Corporate Finance Department to the Company Registration and Monitoring Department.

The SEC approved the increase in authorized share capital on January 14, 2014 and the registration statements on July 3, 2014.

*Current state*

As at September 30, 2024, the Company has 1,769,677,452 issued and outstanding shares out of 5,000,000,000 ACS with a par value of P0.01 per share. Fully paid shares with par value of P0.01 carry one vote per share and a right to dividends.

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 September 30, 2024.

% Ownership of Institutional Investors	% Ownership of Retail Investors
37.40%	62.60%

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

**14. ADDITIONAL PAID-IN CAPITAL**

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

	September 2024	December 2023
APIC	P 12,264,102,966	P 12,264,228,552

**15. NET ASSET VALUE PER SHARE**

	September 2024	December 2023
Total equity	P 6,596,437,858	P 6,739,107,082
Outstanding shares	1,769,677,452	1,977,357,801
NAVPS	P 3.7275	P 3.4081

## 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:
  - 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;
  - 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 September 30, 2024:

	Yields	NAVPS	NAVPS Date
Year on year yield (1-year)	12.2268%	P 3.3214	September 29, 2023
3 Year - Simple	4.3153%	P 3.5733	September 30, 2021
5Year - Simple	-3.2446%	P 3.8525	September 30, 2019

## 16. INTEREST INCOME

	September 2024	September 2023
Fixed-income securities	P 122,528,924	P 118,270,311
Corporate loans	12,847,046	14,873,175
Cash equivalents	855,678	13,230,523
Cash in banks	161,936	191,359
	<b>P 136,393,585</b>	<b>P 146,565,368</b>

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

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

	September 2024	September 2023
Total comprehensive income (loss) for the period	P 586,587,193	(P 17,746,305)
Weighted average number of outstanding shares for the purpose of computing earnings (loss) per share	1,871,547,305	2,111,312,855
Basic earnings (loss) per share	P 0.313	(P 0.008)

18. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value grouped into levels 1 to 3 based on the degree to which the inputs to fair value are observable.

	Note	Total
<b>September 30, 2024</b>		
Investment in listed equity securities	5	P 3,489,021,582
Fixed-income securities	5	2,838,125,095
		P 6,327,146,677
<b>December 31, 2023</b>		
Investment in listed equity securities	5	P 3,641,428,051
Fixed-income securities	5	2,691,722,646
		P 6,333,150,697

The fair values of fixed-income securities classified as Level 1 are based on quoted prices of either done deals or bid rates.

Investment in UITFs are valued at their published Net Assets Values Per Unit (NAVPU) as at reporting date.

Listed equity securities are valued at quoted prices as at reporting date. There were no transfers between Levels 1 to 3 in 2024 and 2023.

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 Amounts	Level 3
<b>September 30, 2024</b>			
<b>Financial Assets</b>			
Financial asset at amortized cost	6	P 194,876,000	P 194,619,411
<b>December 31, 2023</b>			
<b>Financial Assets</b>			
Financial asset at amortized cost	6	P 280,240,356	P 286,505,763

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

The fair values of corporate loans were determined based on the discounted cash flow analysis using the Company's estimated cost of borrowing of 6.43% for 2024 and 2023.

There were no transfers between Levels 1 to 3 in 2024 and 2023.

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

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

1. **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 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.
2. **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.
3. **Assets Under Management (AUM).** 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).
4. **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 3rd Quarter Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity – September 30, 2024 vs. December 31, 2023

	30-Sep-24	31-Dec-23	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash in banks	P64,144,223	P61,622,135	P2,522,088	4.09%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	6,327,146,677	6,333,150,697	(6,004,020)	-0.09%	The decrease was due to unrealized losses from unfavorable market condition and net disposal of investments during the period.
Financial assets at amortized cost	194,619,411	280,240,356	(85,620,945)	-30.55%	Mainly due to collection of loan repayment during the period.
Due from brokers	567,929	48,501,636	(47,933,707)	-98.83%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.
Accrued interest receivable	40,448,978	39,091,554	1,357,424	3.47%	Collection of interest depends on the scheduled interest payments of each investment.
Dividends receivable	433,062	2,510,356	(2,077,294)	-82.75%	The collection of receivable is dependent on the scheduled payment dates of each listed stock from which dividends were received.
Other current assets	1,761,828	1,435,337	326,491	22.75%	This account pertains to prepaid taxes and CWT to be applied in the future income taxes payable of the Fund and to prepaid expenses to be amortized until end of the accounting period.
<b>Total Assets</b>	<b>6,629,122,108</b>	<b>6,766,552,071</b>	<b>(137,429,963)</b>	<b>-2.03%</b>	
Accrued expenses and other payables	20,317,268	8,821,588	11,495,680	130.31%	The increase mainly pertains to outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled two (2) days after the transaction date.
Due to brokers	-	5,883,249	(5,883,249)	-100.00%	This account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled three days after the transaction date.
Payable to fund manager	12,366,982	12,740,152	(373,170)	-2.93%	Average decrease in AUM during the period where management and distribution fees are based.
<b>Total Liabilities</b>	<b>32,684,250</b>	<b>27,444,989</b>	<b>5,239,261</b>	<b>19.09%</b>	
Share capital	48,379,352	48,379,352	-	0.00%	
Additional paid in capital	12,264,102,966	12,264,228,552	(125,586)	0.00%	
Retained earnings	5,661,919,703	5,075,332,510	586,587,193	11.56%	Net income for the period.
Treasury Shares	(11,377,964,163)	(10,648,833,332)	(729,130,831)	6.85%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>6,596,437,858</b>	<b>6,739,107,082</b>	<b>(142,669,224)</b>	<b>-2.12%</b>	Net acquisition of treasury shares partially offset by the net income earned during the period.
<b>Net Assets Value per Share</b>	<b>P3.7275</b>	<b>P3.4081</b>	<b>P0.3193</b>	<b>9.37%</b>	

**Statement of Financial Position and Statements of Changes in Equity – September 30, 2023 vs. December 31, 2022**

	30-Sep-23	31-Dec-22	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash and cash equivalents	P157,630,908	P106,451,645	P51,179,263	48.08%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	6,356,843,787	6,816,144,279	(459,300,492)	-6.74%	Decrease due to net disposal of investment in fixed income and listed equities as well as unrealized losses during the period.
Financial assets at amortized cost	289,764,174	312,839,810	(23,075,636)	-7.38%	Mainly due to collection of principal of other corporate loans during the period.
Due from brokers	22,945,271	27,066,232	(4,120,961)	-15.23%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.
Accrued interest receivable	37,656,886	33,282,312	4,374,574	13.14%	Collection of interest depends on the scheduled interest payments of each investment.
Dividends receivable	-	1,343,978	(1,343,978)	-100.00%	The collection of receivable is dependent on the scheduled payment dates of each listed stock from which dividends were received.
Other current assets	1,660,663	1,115,757	544,906	48.84%	This account pertains to prepaid taxes and CWT to be applied in the future income taxes payable of the Fund and to prepaid expenses to be amortized until end of the accounting period.
<b>Total Assets</b>	<b>6,866,501,689</b>	<b>7,298,244,013</b>	<b>(431,742,324)</b>	<b>-5.92%</b>	
Accrued expenses and other payables	12,410,640	10,198,231	2,212,409	21.69%	The increase mainly pertains to outstanding proceeds payable to investors for redemption of their investments processed on or before end of the reporting period, which are usually settled four (4) days after the transaction date.
Due to brokers	33,826,617	36,230,262	(2,403,645)	-6.63%	This account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled three days after the transaction date.
Payable to fund manager	12,672,031	14,137,868	(1,465,837)	-10.37%	Average decrease in AUM during the period consequently decrease this account.
<b>Total Liabilities</b>	<b>58,909,288</b>	<b>60,566,361</b>	<b>(1,657,073)</b>	<b>-2.74%</b>	
Share capital	48,379,352	48,379,352	-	0.00%	
Additional paid in capital	12,280,674,778	12,274,836,993	5,837,785	0.05%	
Retained earnings	4,904,138,965	4,921,885,270	(17,746,305)	-0.36%	Net loss for the period.
Treasury Shares	(10,425,600,694)	(10,007,423,963)	(418,176,731)	4.18%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>6,807,592,401</b>	<b>7,237,677,652</b>	<b>(430,085,251)</b>	<b>-5.94%</b>	<b>Net acquisition of treasury shares and net loss for the period.</b>
<b>Net Assets Value per Share</b>	<b>P3.3215</b>	<b>P3.3296</b>	<b>P(0.0081)</b>	<b>-0.24%</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 Company's liquidity in any material way.

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

The Company does not anticipate having any cash flow or liquidity problems as it complies with the liquidity requirements per ICA-IRR 6.10. The Company 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 Company 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 Company.

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 Nine months ended – September 30, 2024 vs. September 30, 2023**

	30-Sep-24	30-Sep-23	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	P213,597,811	P277,963,668	P(64,365,857)	-23.16%	The decrease mainly due to lower realized losses on its investments and lower interest income earned.
Investment Expenses	5,040,464	11,871,496	(6,831,032)	-57.54%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	120,653,968	130,505,180	(9,851,212)	-7.55%	This is due to the decrease in management fees, distribution fees, custodianship fees, taxes and licenses as compared to prior year in the same period.
Net Unrealized Gains on Investments	530,074,926	(117,084,493)	647,159,419	-552.73%	The increase is due to impact of favorable market condition during the period compared with prior period.
Provision for Income Tax	31,391,112	36,248,804	(4,857,692)	-13.40%	Final taxes of interest income earned from fixed income investments. sales tax on trading of equities and income tax for the period.
<b>Net Investment Income</b>	<b>P586,587,193</b>	<b>(P 17,746,305)</b>	<b>P604,333,498</b>	<b>-3405.40%</b>	

**Statement of Comprehensive Income for the Nine months ended – September 30, 2023 vs. September 30, 2022**

	30-Sep-23	30-Sep-22	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	P277,963,668	P142,521,724	P135,441,944	95.03%	The increase mainly pertains to realized gain on its investments and higher interest income earned.
Investment Expenses	11,871,496	13,751,330	(1,879,834)	-13.67%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	130,505,180	138,953,298	(8,448,118)	-6.08%	This is due to the decrease in management fees brought by lower average AUM and decrease in custodianship and directors' fee.
Net Unrealized Losses on Investments	(117,084,493)	(1,040,622,155)	923,537,662	-88.75%	The decrease in unrealized losses is due to favorable market conditions of its investment during the period as compared to prior year in the same period.
Provision for Income Tax	36,248,804	29,080,151	7,168,653	24.65%	Final taxes of interest income earned from fixed income investments. sales tax on trading of equities and income tax for the period.
Net Investment Loss	(P 17,746,305)	(P1,079,885,210)	P1,062,138,905	-98.36%	

Average daily net asset value from January to September 2024 and January to September 2023 is PHP 6,594,647,141 and PHP 7,148,006,952, respectively.

The Company 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 operations of the Company which are not reflected in the accompanying interim unaudited financial statements.

The management of the Company 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 Company's interim unaudited financial statements as at the period ended September 30, 2024. There were no significant elements of income or loss that did not arise from the Company'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: Market risk, which includes fair value interest rate risk and equity price 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 Equity Price Risk:** For equity investments, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the company's operations and overall profitability. To manage this risk, the equity investments included in the Fund's portfolio are carefully selected based on their fundamental soundness/

**1.4 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.

**1.5 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.

**1.6 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.

**1.7 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.

**1.8 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.

**1.9 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.

**1.10 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 and equity securities from domestic issuers.

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

The 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:

- It does not issue senior securities;
- 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;
- It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;
- 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;
- It does not purchase or sell commodity futures contracts;
- 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;
- The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
- Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions;
- It may use various techniques to hedge investment risks; and
- 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:

- Investment Objective - To provide moderate growth and a steady income stream through investments in high quality equity securities and high quality corporate and government debt securities.

- Benchmark - the fund's performance is measured against 50% PSE Index and 48% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) and 2% Philippine Peso Time Deposit Rate 1 Month to 3 Months, net of tax.
- Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 2% 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 September 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 pursuant to Section 3 of SEC Memorandum Circular No.33-2020.

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

The Company does not have any investment in foreign securities.

### **4. Significant accounting 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 estimations, 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 depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is

not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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

#### Significant increase of credit risk

ECL are 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.

The Company considers a financial instrument to have experienced a significant increase in credit risk when one or more of the qualitative and quantitative criteria have been met.

As at September 30, 2024 and December 31, 2023, the Company's financial instrument measured at amortized cost has not experienced a significant increase in its credit risk.

#### 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.

#### 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 September 30, 2024 and December 31, 2023, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to P48,379,352.

### **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 September 30, 2024 and December 31, 2023, the Company assessed a probability of default of 0.13% and 0.13%, 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 expected credit loss allowance 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. 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 September 30, 2024 and December 31, 2023, the Company's estimated credit losses for financial instruments measured at amortized cost amounted to P256,589 and P371,332, respectively as disclosed in Note 6.

#### Deferred tax assets

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

Based on Management's expectation of the Company's future taxable income, the Company did not recognize the deferred tax assets as at September 30, 2024 and December 31, 2023.

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

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

### 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.

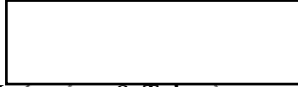
The Fund, together with its Sponsoring Entity, SLAMCI, is preparing to comply for FATCA reporting on the date which will be set by the Bureau of Internal Revenue as soon as the IGA has been ratified by the Senate.

**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 of Canada Prosperity Balanced Fund, Inc.

Principal Financial/Accounting Officer/Comptroller:



Signature : Jeanemar S. Talamán

Title : Treasurer

Date : November 14, 2024

**SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.**

Schedule of Financial Soundness Indicators and Financial Ratios

September 30, 2024 and December 31, 2023

	Formula	2024	2023
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	<b>196.87:1</b>	239.46:1
b. Quick ratio	Quick Assets/Current Liabilities	<b>196.81:1</b>	236.02:1
c. Cash ratio	Cash/Current Liabilities	<b>1.96:1</b>	2.25:1
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>195.87:1</b>	238.46:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	<b>29.97:1</b>	27.42:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	<b>19193.62:1</b>	13595.39:1
<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>0.01</b>	0.01
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>0.01</b>	0.01
Asset to equity ratio	Total Assets/Total Equity	<b>1:1</b>	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	<b>0.00</b>	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	<b>289.32%</b>	83.39%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	<b>289.32%</b>	83.39%
c. Pre-tax margin	EBT/Revenue	<b>289.32%</b>	83.39%
d. Effective tax rate	Income Tax/EBIT	<b>5.08%</b>	22.89%
e. Post-tax margin	Net Income After Tax/Revenue	<b>274.62%</b>	64.30%
f. Return on equity	Net Income After Tax/Average Common Equity	<b>8.80%</b>	2.20%
g. Return on asset	NIAT/Average Total Assets	<b>8.76%</b>	2.18%
Capital intensity ratio	Total Assets/Revenue	<b>31.04:1</b>	28.35:1
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 of Canada Prosperity Balanced Fund Inc.

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

As of September 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>						
PH000058133	259,627,796	6,596,437,858	3.94%	-	-	-
PH000058281	661,137,053	6,596,437,858	10.02%	-	-	-
PH000058125	53,297,487	6,596,437,858	0.81%	-	-	-
PH00527L140	76,709	6,596,437,858	0.00%	75,715	6,739,107,082	0.00%
PH00527C159	-	6,596,437,858	0.00%	311,682,226	6,739,107,082	4.62%
PH00326H1014	-	6,596,437,858	0.00%	2,866,055	6,739,107,082	0.04%
PH00528I160	-	6,596,437,858	0.00%	274,095,600	6,739,107,082	4.07%
PH001029A644	291,440,277	6,596,437,858	4.42%	224,591,488	6,739,107,082	3.33%
PH00528B176	89,057,611	6,596,437,858	1.35%	88,355,460	6,739,107,082	1.31%
PH000057218	44,218,317	6,596,437,858	0.67%	76,911,467	6,739,107,082	1.14%
PH00729J687	50,919,998	6,596,437,858	0.77%	50,467,195	6,739,107,082	0.75%
PH002555I071	-	6,596,437,858	0.00%	140,871,445	6,739,107,082	2.09%
PH002042K253	-	6,596,437,858	0.00%	149,062,310	6,739,107,082	2.21%
PH002555L086	-	6,596,437,858	0.00%	71,030,854	6,739,107,082	1.05%
PH002039A232	166,026,974	6,596,437,858	2.52%	115,540,517	6,739,107,082	1.71%
PH00526D772	-	6,596,437,858	0.00%	131,427,679	6,739,107,082	1.95%
PH00726B627	-	6,596,437,858	0.00%	63,111,488	6,739,107,082	0.94%
PH002027I140	-	6,596,437,858	0.00%	67,547,801	6,739,107,082	1.00%
PH000058786	439,781,074	6,596,437,858	6.67%	-	-	0.00%
PHY6972HMC79	16,633,208	6,596,437,858	0.25%	-	-	0.00%
PHY6972FPV67	197,845,258	6,596,437,858	3.00%	-	-	0.00%
PH000057374	-	6,596,437,858	0.00%	349,122,032	6,739,107,082	5.18%
<b>Bonds</b>						
SAN MIGUEL CORP SMCPM 5.2704 03/04/27	17,993,026	6,596,437,858	0.27%	18,112,351	6,739,107,082	0.27%
INTL FINANCE CORP 6.3448% 22MAR2033	79,407,527	6,596,437,858	1.20%	88,860,737	6,739,107,082	1.32%
BNPP 7.34% 18NOV2027	114,083,472	6,596,437,858	1.73%	108,445,626	6,739,107,082	1.61%
ING 7.38% 27DEC2028	102,091,591	6,596,437,858	1.55%	101,674,637	6,739,107,082	1.51%
PHILIP 577 06/20/2024 (NOM CLN)	-	6,596,437,858	0.00%	65,629,013	6,739,107,082	0.97%
SM PRIME HOLDINGS INC 5.0583% 25MAR2027	77,462,772	6,596,437,858	1.17%	76,981,297	6,739,107,082	1.14%
ABOITIZ POWER APPM 5.2757 10/14/26	76,410,282	6,596,437,858	1.16%	75,643,620	6,739,107,082	1.12%
SM INVESTMENTS CORP 3.5915 02/18/25	18,141,953	6,596,437,858	0.28%	17,681,613	6,739,107,082	0.26%
NOMURA BK INTL 7.25% 20JUN2029	60,648,000	6,596,437,858	0.92%	-	-	0.00%
CONVERGE ICT SOL CNVRPM 5.5942 04/08/27	21,824,709	6,596,437,858	0.33%	21,934,421	6,739,107,082	0.33%
<b>Equities</b>						
Aboitiz Equity Ventures Inc.	21,317,042	6,596,437,858	0.32%	55,805,304	6,739,107,082	0.83%
ABOITIZ POWER CORP PHP1	29,658,945	6,596,437,858	0.45%	-	-	0.00%
ACEN CORP	27,873,780	6,596,437,858	0.42%	-	-	0.00%
Alliance Global Group Inc.	-	6,596,437,858	0.00%	29,298,672	6,739,107,082	0.43%
Ayala Corporation	178,540,435	6,596,437,858	2.71%	214,986,933	6,739,107,082	3.19%
Ayala Land Inc.	321,203,064	6,596,437,858	4.87%	354,057,808	6,739,107,082	5.25%
Bank of the Philippine Islands	286,930,109	6,596,437,858	4.35%	264,670,797	6,739,107,082	3.93%
BDO Unibank Inc.	377,753,668	6,596,437,858	5.73%	318,530,403	6,739,107,082	4.73%
Bloomerry Resorts Corporation	-	6,596,437,858	0.00%	54,522,358	6,739,107,082	0.81%
Century Pacific Food Inc.	17,277,744	6,596,437,858	0.26%	101,131,601	6,739,107,082	1.50%
CONVERGE ICT SOLUTIONS INC	39,360,524	6,596,437,858	0.60%	-	-	0.00%
Globe Telecom Inc.	80,015,238	6,596,437,858	1.21%	83,509,440	6,739,107,082	1.24%
GT Capital Holdings Inc.	155,244,720	6,596,437,858	2.35%	158,327,090	6,739,107,082	2.35%
International Container Terminal Services Inc.	388,624,972	6,596,437,858	5.89%	314,063,612	6,739,107,082	4.66%
JG Summit Holdings Inc.	20,202,705	6,596,437,858	0.31%	73,454,620	6,739,107,082	1.09%
Jollibee Foods Corporation	157,343,194	6,596,437,858	2.39%	123,527,904	6,739,107,082	1.83%
Manila Electric Company	101,886,758	6,596,437,858	1.54%	116,213,538	6,739,107,082	1.72%
Manila Water Company	37,318,680	6,596,437,858	0.57%	-	-	-
Metropolitan Bank & Trust Company	209,560,255	6,596,437,858	3.18%	119,787,090	6,739,107,082	1.78%
Monde Nissin Corporation	42,485,212	6,596,437,858	0.64%	34,921,136	6,739,107,082	0.52%
PLDT Inc.	118,441,590	6,596,437,858	1.80%	96,214,054	6,739,107,082	1.43%
Robinsons Land Corporation	17,706,615	6,596,437,858	0.27%	33,525,008	6,739,107,082	0.50%
Security Bank Corporation	-	6,596,437,858	0.00%	20,020	6,739,107,082	0.00%
Semirara Mining & Power Corp.	-	6,596,437,858	0.00%	3,934,073	6,739,107,082	0.06%
SM Investments Corporation	480,456,920	6,596,437,858	7.28%	549,490,800	6,739,107,082	8.15%
SM Prime Holdings Inc.	293,746,601	6,596,437,858	4.45%	399,574,514	6,739,107,082	5.93%
Universal Robina Corporation	22,211,503	6,596,437,858	0.34%	141,861,275	6,739,107,082	2.11%
AREIT INC	38,554,440	6,596,437,858	0.58%	-	-	-
RL COMMERCIAL REIT INC	25,306,870	6,596,437,858	0.38%	-	-	-
<b>Investments in UITF</b>						
SLM PHP MT-CLS MNY MKRT FN C	-	6,596,437,858	0.00%	-	-	-
<b>Corporate Loans</b>						
ANGAT HYDROPOWER CORPORATION	100,750,937	6,596,437,858	1.53%	104,837,892	6,739,107,082	1.56%
.VLL 7.125 07/19/2024	-	6,596,437,858	0.00%	18,404,288	6,739,107,082	0.27%
.SMDC 5.213 01/27/2027	56,628,474	6,596,437,858	0.86%	56,627,210	6,739,107,082	0.84%
MWIDE 08.24.2024	-	6,596,437,858	0.00%	62,798,400	6,739,107,082	0.93%
SL AGRITECH 7.3278 09/12/2025	37,240,000	6,596,437,858	0.56%	37,572,567	6,739,107,082	0.56%

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

As of September 30, 2024 and December 31, 2023

	2024			2023		
	Investment of the Fund in Shares	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund in Shares	Outstanding Securities of an Investee Company	% over Investee
<b>Treasury Notes (ISIN) - Republic of the Philippines</b>						
PH000058133	251,132,000	35,000,000,000	0.72%	-	-	-
PH000058281	646,475,000	584,861,260,000	0.11%	-	-	-
PH000058125	52,141,000	35,000,000,000	0.15%	-	-	-
PIID0527L140	78,000	360,025,370,000	0.00%	78,000	360,025,370,000	0.00%
PIID0527C159	-	457,798,870,000	0.00%	318,700,000	457,798,870,000	0.07%
PIBD0326H014	-	45,000,000,000	0.00%	2,896,000	45,000,000,000	0.01%
PIID0528I160	-	420,448,620,000	0.00%	276,000,000	420,448,620,000	0.07%
PIBD1029A644	279,900,000	40,000,000,000	0.70%	217,600,000	40,000,000,000	0.54%
PIID0528B176	87,550,000	283,763,660,000	0.03%	87,550,000	283,763,660,000	0.03%
PH000057218	42,900,000	24,793,000,000	0.17%	75,450,000	24,793,000,000	0.30%
PIBD0729J687	48,480,000	24,125,000,000	0.20%	48,480,000	24,125,000,000	0.20%
PIBD2535I071	-	62,220,400,000	0.00%	122,627,000	62,220,400,000	0.20%
PIBD2042K253	-	27,597,000,000	0.00%	123,915,000	27,597,000,000	0.45%
PIBD2535L086	-	163,216,530,000	0.00%	61,640,000	163,216,530,000	0.04%
PIBD2039A232	153,040,000	31,504,000,000	0.49%	107,710,000	31,504,000,000	0.34%
PIBD0526D772	-	-	0.00%	137,300,000	35,000,000,000	0.39%
PIBD0726B627	-	-	0.00%	62,810,000	35,000,000,000	0.18%
PIBD2027I140	-	-	0.00%	62,913,000	7,521,930,000	0.84%
PH000058240	-	-	0.00%	-	-	0.00%
PH000058786	396,560,000	-	0.00%	-	-	0.00%
PHY6972HMC79	16,150,000	-	0.00%	-	-	0.00%
PHY6972FPV67	178,109,000	-	0.00%	-	-	0.00%
PH000057374	-	-	0.00%	335,733,000	30,000,000,000	1.12%
<b>Bonds</b>						
SAN MIGUEL CORP SMCPM 5.2704 03/04/27	18,500,000	**	-	18,500,000	**	-
INTL FINANCE CORP 6.3448% 22MAR2033	79,142,400	**	-	88,452,000	**	-
BNPP 7.34% 18NOV2027	106,980,000	**	-	106,980,000	**	-
ING 7.38% 27DEC2028	99,989,120	**	-	99,989,120	**	-
PHILIP 577 06/20/2024 (NOM CLN)	-	**	-	65,570,000	**	-
SM PRIME HOLDINGS INC 5.0583% 25MAR2027	80,000,000	**	-	80,000,000	**	-
ABOITIZ POWER APPM 5.2757 10/14/26	78,000,000	**	-	78,000,000	**	-
SM INVESTMENTS CORP 3.5915 02/18/25	18,330,000	**	-	18,330,000	**	-
NOMURA BK INTL 7.25% 20JUN2029	60,000,000	**	-	-	**	-
CONVERGE ICT SOL CNVRPM 5.5942 04/08/27	22,200,000	**	-	22,200,000	**	-
<b>Equities (in shares)</b>						
Aboitiz Equity Ventures Inc.	573,810	5,553,805,057	0.01%	1,251,240	5,619,785,757	0.02%
ABOITIZ POWER CORP PHP1	778,450	7,205,854,307	0.01%	-	-	0.00%
ACEN CORP	5,181,000	39,677,394,773	0.01%	-	-	0.00%
Alliance Global Group Inc.	-	-	0.00%	2,597,400	9,002,953,579	0.03%
Ayala Corporation	265,883	623,596,775	0.04%	315,693	619,807,425	0.05%
Ayala Land Inc.	8,776,040	14,726,325,490	0.06%	10,277,440	14,942,175,713	0.07%
Bank of the Philippine Islands	2,123,835	5,272,095,143	0.04%	2,549,815	5,259,201,283	0.05%
BDO Unibank Inc.	2,390,846	5,272,072,909	0.05%	2,440,846	5,268,357,304	0.05%
Bloomberry Resorts Corporation	-	-	0.00%	5,540,890	11,430,368,194	0.05%
Century Pacific Food Inc.	454,080	3,542,258,595	0.01%	3,267,580	3,542,258,595	0.09%
CONVERGE ICT SOLUTIONS INC	2,405,900	7,266,573,061	0.03%	-	-	0.00%
Globe Telecom Inc.	35,187	144,380,334	0.02%	48,552	144,228,604	0.03%
GT Capital Holdings Inc.	212,664	215,284,587	0.10%	268,351	215,284,587	0.12%
International Container Terminal Services Inc.	961,943	2,033,812,023	0.05%	1,272,543	2,031,988,603	0.06%
JG Summit Holdings Inc.	726,716	7,520,983,658	0.01%	1,925,416	7,520,983,658	0.03%
Jollibee Foods Corporation	585,790	1,122,354,859	0.05%	491,360	1,119,911,278	0.04%
Manila Electric Company	232,512	1,127,092,509	0.02%	291,262	1,127,098,705	0.03%
Manila Water Company	1,405,600	2,597,094,010	0.05%	-	-	-
Metropolitan Bank & Trust Company	2,666,161	4,497,415,555	0.06%	2,335,031	4,497,415,555	0.05%
Monde Nissin Corporation	4,173,400	17,968,611,496	0.02%	4,167,200	17,968,611,496	0.02%
PLDT Inc.	79,491	216,055,775	0.04%	75,226	216,055,775	0.03%
Robinsons Land Corporation	1,126,375	4,836,791,487	0.02%	2,103,200	4,839,141,486	0.04%
Security Bank Corporation	-	-	0.00%	280	753,538,887	0.00%
Semirara Mining & Power Corp.	-	-	-	130,052	4,250,547,620	0.00%
SM Investments Corporation	502,570	1,222,023,358	0.04%	630,150	1,222,023,358	0.00%
SM Prime Holdings Inc.	9,094,322	28,879,231,694	0.03%	12,145,122	28,879,231,694	0.00%
Universal Robina Corporation	214,190	2,158,031,938	0.01%	1,200,180	2,177,422,968	0.00%
AREIT INC	1,053,400	-	0.00%	-	-	-
Wilcon Depot Inc.	-	-	0.00%	-	-	-
RL COMMERCIAL REIT INC	4,289,300	-	0.00%	-	-	-
<b>Corporate Loans</b>						
ANGAT HYDROPOWER CORPORATION	106,206,700	**	-	104,960,000	**	-
.VLL 7.125 07/19/2024	-	**	-	18,375,000	**	-
.SMDC 5.213 01/27/2027	56,772,000	**	-	56,829,000	**	-
MWIDE 08.24.2024	-	**	-	62,798,400	**	-
SL AGRITECH 7.3278 09/12/2025	37,240,000	**	-	37,620,000	**	-

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

As of September 30, 2024 and December 31, 2023

	2024	2023
Total Liquid and Semi-Liquid Assets	6,432,740,869	6,484,876,378
Total Assets	6,629,122,108	6,766,552,071
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	97.04%	95.84%

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

As of September 30, 2024 and December 31, 2023

	2024	2023
Total Operating Expenses	120,653,968	171,519,604
Average Daily Net Worth	6,594,647,141	7,035,782,405
Total Operating Expenses to Total Net Worth	1.83%	2.44%

**Total Assets to Total Borrowings**

As of September 30, 2024 and December 31, 2023

	2024	2023
Total Assets	6,629,122,108	6,766,552,071
Total Borrowings	32,684,250	27,444,989
Total Assets to Total Borrowings	20282.31%	24654.96%

\*\*Data not available

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.  
Financial Assets

Name of Issuing Entity and Association of Each Issue	September 30, 2024			December 31, 2023	
	Number of Shares / Principal Amount of Bonds	Market Value	Aggregate Cost	Number of Shares / Principal Amount of Bonds	Market Value
<b>Equity Shares</b>					
Aboitiz Equity Ventures Inc.	P 573,810	P 21,317,042	P 22,713,004	1,251,240	P 55,805,304
ABOTIZ POWER CORP PHP1	778,450	29,658,945	26,400,104	-	-
ACEN CORP	5,181,000	27,873,780	24,174,585	-	-
Alliance Global Group Inc.	-	-	-	2,597,400	29,298,672
Ayala Corporation	265,883	178,540,435	195,101,418	315,693	214,986,933
Ayala Land Inc.	8,776,040	321,203,064	284,135,568	10,277,440	354,057,808
Bank of the Philippine Islands	2,123,835	286,930,109	194,171,822	2,549,815	264,670,797
BDO Unibank Inc.	2,390,846	377,753,668	262,601,866	2,440,846	318,530,403
Bloomberry Resorts Corporation	-	-	-	5,540,890	54,522,358
Century Pacific Food Inc.	454,080	17,277,744	14,150,374	3,267,580	101,131,601
CONVERGE ICT SOLUTIONS INC	2,405,900	39,360,524	33,911,952	-	-
Globe Telecom Inc.	35,187	80,015,238	73,386,066	48,552	83,509,440
GT Capital Holdings Inc.	212,664	155,244,720	128,577,234	268,351	158,327,090
International Container Terminal Services Inc.	961,943	388,624,972	185,516,327	1,272,543	314,063,612
JG Summit Holdings Inc.	726,716	20,202,705	37,827,659	1,925,416	73,454,620
Jollibee Foods Corporation	585,790	157,343,194	135,596,750	491,360	123,527,904
Manila Electric Company	232,512	101,886,758	82,861,085	291,262	116,213,538
Manila Water Company	1,405,600	37,318,680	29,033,261	-	-
Metropolitan Bank & Trust Company	2,666,161	209,560,255	153,606,045	2,335,031	119,787,090
Monde Nissin Corporation	4,173,400	42,485,212	41,581,831	4,167,200	34,921,136
PLDT Inc.	79,491	118,441,590	108,127,462	75,226	96,214,054
Robinsons Land Corporation	1,126,375	17,706,615	16,976,945	2,103,200	33,525,008
Security Bank Corporation	-	-	-	280	20,020
Semirara Mining & Power Corp.	-	-	-	130,052	3,934,073
SM Investments Corporation	502,570	480,456,920	416,239,925	630,150	549,490,800
SM Prime Holdings Inc.	9,094,322	293,746,601	306,306,576	12,145,122	399,574,514
Universal Robina Corporation	214,190	22,211,503	27,508,626	1,200,180	141,861,275
AREIT INC	1,053,400	38,554,440	36,443,601	-	-
RL COMMERCIAL REIT INC	4,289,300	25,306,870	24,045,484	-	-
	50,309,465	3,489,021,582	2,860,995,572	55,324,829	3,641,428,050
<b>Treasury Bonds and Notes Issued by the Nat'l Government</b>	2,152,515,000	2,270,061,764	2,198,042,769	2,041,402,000	2,116,759,332
<b>GRAND TOTAL</b>	<b>2,202,824,465</b>	<b>5,759,083,345</b>	<b>5,059,038,341</b>	<b>2,096,726,829</b>	<b>5,758,187,382</b>

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.  
Schedule of Investments  
Investment in Corporate Bonds and Loans

Name of Issuing Entity and Association of Each Issue	September 30, 2024		December 31, 2023	
	Number of Shares / Principal Amount of Bonds and Notes	Market Value	Number of Shares / Principal Amount of Bonds and Notes	Market Value
<b>Corporate Bonds and Loans</b>				
SAN MIGUEL CORP SMCPM 5.2704 03/04/27	18,500,000	P 17,993,026	18,500,000	P 18,112,351
INTL FINANCE CORP 6.3448% 22MAR2033	79,142,400	79,407,527	88,452,000	88,860,737
BNPP 7.34% 18NOV2027	106,980,000	114,083,472	106,980,000	108,445,626
ING 7.38% 27DEC2028	99,989,120	102,091,591	99,989,120	101,674,637
PHILIP 577 06/20/2024 (NOM CLN)	-	-	65,570,000	65,629,013
SM PRIME HOLDINGS INC 5.0583% 25MAR2027	80,000,000	77,462,772	80,000,000	76,981,297
ABOITIZ POWER APPM 5.2757 10/14/26	78,000,000	76,410,282	78,000,000	75,643,620
SM INVESTMENTS CORP 3.5915 02/18/25	18,330,000	18,141,953	18,330,000	17,681,613
NOMURA BK INTL 7.25% 20JUN2029	60,000,000	60,648,000	-	-
CONVERGE ICT SOL CNVRPM 5.5942 04/08/27	22,200,000	21,824,709	22,200,000	21,934,421
ANGAT HYDROPOWER CORPORATION	100,864,000	100,750,937	104,960,000	104,837,892
.VLL 7.125 07/19/2024	-	-	18,375,000	18,404,288
.SMDC 5.213 01/27/2027	56,772,000	56,628,474	56,829,000	56,627,210
MWIDE 08.24.2024	-	-	62,798,400	62,798,400
SL AGRITECH 7.3278 09/12/2025	37,240,000	37,240,000	37,620,000	37,572,567
<b>TOTAL</b>	<b>758,017,520</b>	<b>P 762,682,743</b>	<b>858,603,520</b>	<b>P 855,203,671</b>

This document contains key information clients of Sun Life of Canada Prosperity Balanced 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>	April 5, 2000	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	PHP 6,596,528,964.09	<b>Fund Classification</b>	Balanced Fund	<b>Minimum Holding Period</b>	None
<b>Net Asset Value Per Share</b>	3.7275	<b>Minimum Subscription</b>	PHP 1,000	<b>Early Redemption Fee</b>	None
<b>Benchmark</b>	50% PSEi + 48% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	<b>Minimum Subsequent</b>	PHP 1,000	<b>Redemption Settlement</b>	T+3 business days
		<b>Management and Distribution Fee</b>	2.00%	<b>Bloomberg Ticker</b>	SNCPBA PM Equity

## What does the Fund invest in?

The **Sun Life of Canada Prosperity Balanced Fund** aims to provide total returns consisting of current income and capital growth through investment in a mix of fixed income and equity securities.

The Fund is suitable for investors with a **balanced risk profile** and long-term investment horizon. This is for investors who want to enjoy the relative safety of fixed income securities without sacrificing the growth potential of equities.

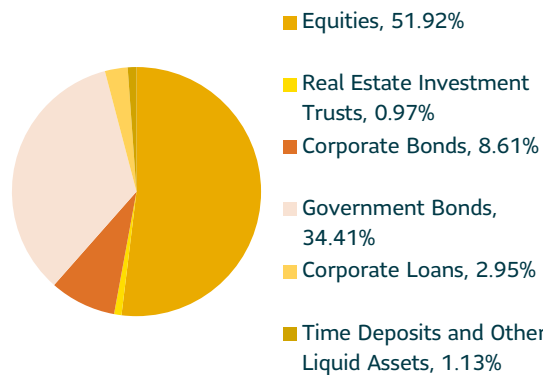
### Top Equity Holdings

1. SM Investments Corporation, 7.28%
2. International Container Terminal Services Inc., 5.89%
3. BDO Unibank Inc., 5.73%
4. Ayala Land Inc., 4.87%
5. SM Prime Holdings Inc., 4.45%

### Top Fixed Income Holdings

1. Treasury Bond 2029, 10.02%
2. Treasury Bond 2044, 6.67%
3. Treasury Bond 2029, 4.42%
4. Treasury Bond 2034, 3.94%
5. Treasury Bond 2031, 3.00%

### Investment Mix

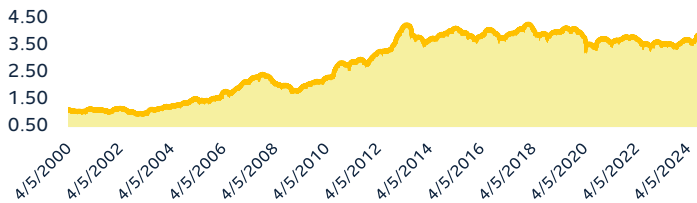


### Sector Allocation



## How has the Fund performed?

NAVPS Since Inception



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	3.66%	9.39%	12.23%	4.32%	-3.24%
<b>Benchmark*</b>	3.46%	8.70%	10.95%	6.57%	5.26%

**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.

**\*Bond Benchmark Effectivity Date:**

HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016  
 Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017  
 Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

## Market Review and Outlook

- The PSEi gained 5.44% in September to close at 7,272.65 level as foreign investors continued to buy into the local market after the US Federal Reserve (Fed) cut policy rates by 50 basis points to 5%. The Bangko Sentral ng Pilipinas (BSP) also announced a 2.5% cut in reserve requirement ratio effective October 25 which was a positive surprise to the market. This move will benefit the local banks and provide more liquidity in the financial market.
- Foreign inflows further accelerated to \$346 million during the month. YTD, foreign investors are now net buyers of the local bourse to the tune of \$22 million, coming from a net selling position the previous months.
- September inflation declined further to 1.9%, from 3.3% the previous month, beating expectation of 2.5%. Food prices and transport led the decline in inflation.
- After breaking above the 7,000 level, the PSEi may attempt to break above the 7,500 level in the coming months as investor sentiment has turned positive following the rate cuts of the BSP and the US Fed. Further rate cuts due to continued decline in inflation print may sustain this positive momentum in the stock market.
- Local government bonds also rallied following the rate cut by the US Fed and in anticipation of further decline in inflation. Market players are also pricing in 1 to 2 more rate cuts in the coming months.
- The Fund maintains its overweight on equities as well as overweight duration on fixed income.
- On a gross-of-fees basis, the Fund is ahead of the benchmark year-to-date.

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<b>Launch Date</b>	April 5, 2000	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	PHP 6,509,537,947.00	<b>Fund Classification</b>	Balanced Fund	<b>Minimum Holding Period</b>	None
<b>Net Asset Value Per Share</b>	3.5959	<b>Minimum Subscription</b>	PHP 1,000	<b>Early Redemption Fee</b>	None
<b>Benchmark</b>	50% PSEI + 48% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	<b>Minimum Subsequent</b>	PHP 1,000	<b>Redemption Settlement</b>	T+3 business days
		<b>Management and Distribution Fee</b>	2.00%	<b>Bloomberg Ticker</b>	SNCPBA PM Equity

## What does the Fund invest in?

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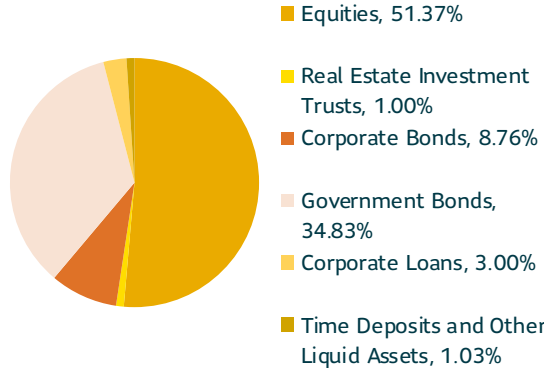
### Top Equity Holdings

1. SM Investments Corporation, 7.10%
2. International Container Terminal Services Inc., 5.85%
3. BDO Unibank Inc., 5.61%
4. SM Prime Holdings Inc., 4.32%
5. Ayala Land Inc., 4.19%

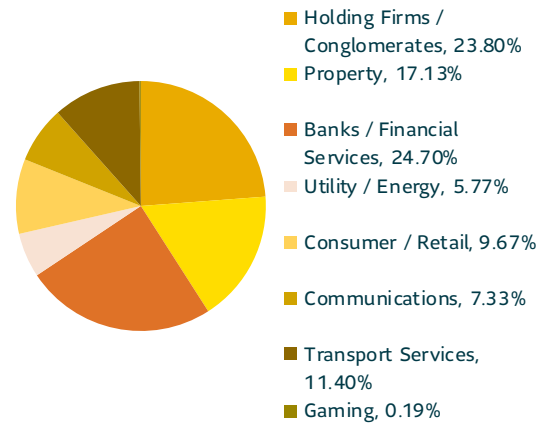
### Top Fixed Income Holdings

1. Treasury Bond 2029, 10.47%
2. Treasury Bond 2044, 5.01%
3. Treasury Bond 2029, 4.41%
4. Treasury Bond 2031, 2.98%
5. Treasury Bond 2034, 2.68%

### Investment Mix

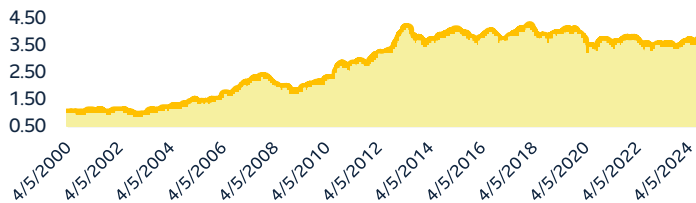


### Sector Allocation



## How has the Fund performed?

NAVPS Since Inception



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	5.29%	5.53%	8.49%	2.25%	-8.23%
<b>Benchmark*</b>	4.51%	5.02%	7.54%	4.32%	0.61%

**Notes:**

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**\*Bond Benchmark Effectivity Date:**

HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016  
 Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017  
 Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

## Market Review and Outlook

- The PSEI continued to gain ground this month, rising 4.21% to a level of 6,897.54, as investor sentiment rose following decision of the Bangko Sentralng Pilipinas (BSP) to ease rates for the first time since 2020. Aiding sentiment was the strong rally of the Peso as it rose 3.98% month-on-month to 56.150.
- Foreign investors accelerated their buying activity, clocking in inflows of \$143 million vs last month's \$60 million with ALI and BDO receiving the most interest.
- The PSEI is currently attempting to break above the 6800-7000 trading range. If successful, this would the market open up a new trading range of 7,000 to 7,400.
- Philippine government bonds also rallied post the BSP's cut. In addition, the BSP indicated that 1 to 2 more rate cuts will come in the fourth quarter, as long as the economy remains on its current trajectory. The inflation forecast for this year and next stands at 3.3% and 2.9%, respectively.
- The Fund maintains its slight overweight on equities as well as a slight overweight duration on fixed income.
- On a gross-of-fees basis, the Fund is ahead of the benchmark year-to-date.

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<b>Launch Date</b>	April 5, 2000	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	PHP 6,412,400,714.39	<b>Fund Classification</b>	Balanced Fund	<b>Minimum Holding Period</b>	None
<b>Net Asset Value Per Share</b>	3.4914	<b>Minimum Subscription</b>	PHP 1,000	<b>Early Redemption Fee</b>	None
<b>Benchmark</b>	50% PSEI + 48% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	<b>Minimum Subsequent</b>	PHP 1,000	<b>Redemption Settlement</b>	T+3 business days
		<b>Management and Distribution Fee</b>	2.00%	<b>Bloomberg Ticker</b>	SNCPRBA PM Equity

## What does the Fund invest in?

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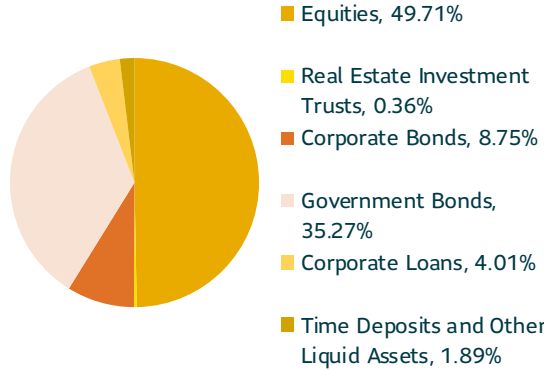
### Top Equity Holdings

1. SM Investments Corporation, 7.40%
2. International Container Terminal Services Inc., 5.56%
3. BDO Unibank Inc., 5.11%
4. Bank of the Philippine Islands, 4.10%
5. SM Prime Holdings Inc., 4.04%

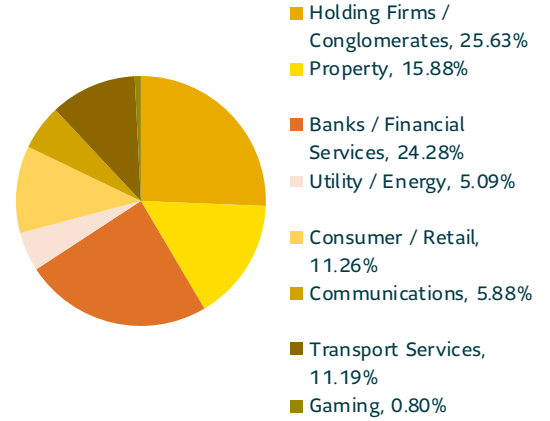
### Top Fixed Income Holdings

1. Treasury Bond 2029, 10.60%
2. Treasury Bond 2029, 4.47%
3. Treasury Bond 2028, 4.27%
4. Treasury Bond 2044, 3.64%
5. Treasury Bond 2034, 2.71%

### Investment Mix

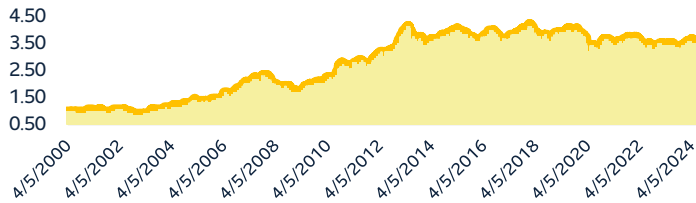


### Sector Allocation



## How has the Fund performed?

NAVPS Since Inception



### CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
<b>Fund</b>	2.23%	2.47%	2.71%	4.65%	-11.64%
<b>Benchmark*</b>	2.10%	2.62%	2.98%	6.56%	-1.22%

**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.
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**\*Bond Benchmark Effectivity Date:**

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 Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017  
 Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

## Market Review and Outlook

- After a volatile 2Q, the PSEI found firmer footing this month as it rose 3.23% to 6,619.09. Investor sentiment turned positive spurred by an improving macro-outlook and increased expectations of a Bangko Sentral ng Pilipinas (BSP) and Federal Reserve (Fed) rate cut.
- Foreign investors turned net buyers for the month, totaling \$61.6 million with SM, BPI, and BDO receiving the most interest.
- The PSEI is expected to trade rangebound from 6400-6800 as investors weigh in on upcoming corporate earnings, GDP figures, and central bank rhetoric.
- Philippine government bond yields fell sharply in July after the BSP explicitly mentioned that a rate cut in August is likely. In addition, rising market optimism towards a September rate cut from the Fed after July's data releases also contributed to the downward momentum in local bond yields.
- Fresh supply was well-absorbed by the market. The strong demand allowed the Bureau of the Treasury (BTr) to offer additional volume via tap on several occasions.
- The Fund remains neutral on equities while slight overweight duration on fixed income.
- On a gross-of-fees basis, the Fund is ahead of the benchmark year-to-date.

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## **sunlife\_sec\_communications**

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**From:** ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
**Sent:** Thursday, November 7, 2024 2:09 PM  
**To:** sunlife\_sec\_communications  
**Subject:** Re: CGFD\_Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-L\_07November2024

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

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Thank you for reaching out to 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.

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 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 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 November, 2024.



Jeanemar S. Talamán  
Affiant

**NOV 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. Talamán			

Doc. No. 499  
Page No. 101  
Book No. 92  
Series of 2024.

**ATTY ROMEO M MONEFORT**  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
PTR No. 10073308 Jan. 2, 2024 Makati City  
ISF No. 391330- Jan. 3, 2014 Pasig / Roll No. 27932  
MCLE NO VII-0027570 Issued April 3, 2023  
101 Urban Ave Campos Rueda Bldg.  
Brgy 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 September 30, 2024

Date of this report November 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 A199908713 2. BIR Tax Identification No. 204-583-064-000

3. Sun Life of Canada Prosperity Balanced 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) – 8555 8888  
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 September 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 Balanced Fund, Inc.**

Registrant's full name as contained in charter



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

Date: **November 06, 2024**

## Elyza Jane De Castro

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**From:** sunlife\_sec\_communications  
**Sent:** Thursday, November 7, 2024 2:09 PM  
**To:** ICTD Submission; CGFD Account  
**Cc:** Jeanemar Talaman; PHIL-FIN\_FAR2  
**Subject:** CGFD\_Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-L\_07November2024  
**Attachments:** Sun Life of Canada Prosperity Balanced Fund, Inc.\_SEC Form 17-L\_07November2024.pdf

To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life of Canada Prosperity Balanced 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: [elyza.jane.de.castro@sunlife.com](mailto:elyza.jane.de.castro@sunlife.com)

Best Regards,

Elyza Jane De Castro | Finance – Financial Accounting & Reporting | [Sun Life PH](#)

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