



SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

To all shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Sun Life Prosperity Dollar Abundance Fund, Inc. is on 13 July 2022 (Wednesday) at 2:00 p.m. via Zoom Webinar at <https://sunlife.co/SLPF-ASHM2022>, to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Determination and Certification of Quorum
4. Chairman's Address
5. Review of 2021 Operations
6. 2021 Fund Performance
7. Election of Directors for the 2022 to 2023 term
8. Approval of the Minutes of the 2021 Stockholders' Meetings
9. Confirmation and Ratification of All Acts and Proceedings of the Board and Corporate Officers (Annex A)
10. Appointment of External Auditor
11. Other Matters
  - a. Amendment of Article III of the Articles of Incorporation on the Principal Office Address
  - b. Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six

Representatives of Navarro Amper & Co. /Deloitte Touche Tohmatsu, are expected to be present during the annual meeting to respond to appropriate questions and to make a statement if they so desire.

In accordance with the By-Laws, the Board of Directors has fixed the close of business on 30 April 2022 as the record date for the determination of the shareholders entitled to notice of and to vote as such in the annual shareholders' meeting and any adjournment thereof.

The Fund will accept proxy votes from its stockholders by emailing [SunLifeFunds@sunlife.com](mailto:SunLifeFunds@sunlife.com) until Sunday, 03 July 2022 (at least 10 days prior to the ASHM). The same shall be remotely validated by the Fund before the close of business hours on or before 08 July 2021 (at least 5 days prior to the ASHM).

Shareholders and/or their proxies must pre-register using the provided link. Identification of the registrant will be verified during the pre-registration process.

Taguig City, Metro Manila, 10 June 2022

ATTY. ANNA KATRINA C. KABIGTING-IBERO  
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement     Definitive Information Statement

2. Name of Registrant as specified in its charter: Sun Life Prosperity Dollar Abundance Fund, Inc.

3. Province, country or other jurisdiction of incorporation or organization: Philippines

4. SEC Identification Number: CS200417434

5. BIR Tax Identification Code: 234-718-559

6. Address of Principal Office: 8<sup>th</sup> Floor Sun Life Centre, 5<sup>th</sup> Avenue cor Rizal Drive, Bonifacio Global City, Taguig City 1634

7. Registrant's telephone number, including area code: (632) 8555-8888

8. Date, time, place of the meeting of security holders:

13 July 2022 (Wednesday), 2:00 P.M.  
via Zoom Webinar at <https://sunlife.co/SLPF-ASHM2022>  
to be hosted from 8F Sun Life Centre, 5th Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City 1634

9. Approximate date on which the Information Statement is first to be sent or given to security holders: 15 June 2022

10. In case of Proxy Solicitations:

Name of Person Filing the Statement/Solicitor: Ms. Marleen Kaye Simbillo  
Address and Telephone Number: 8<sup>th</sup> Floor Sun Life Centre, 5<sup>th</sup> Avenue cor Rizal Drive, Bonifacio Global City, Taguig City 1634; (632) 8849-9888 ; marleen.kaye.simbillo@sunlife.com

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of shares of Common Stock Outstanding
Common Shares, PHP1.00 par value	3,174,724 shares (as of 31 May 2022)

12. Are any or all of the Company's securities listed on the Philippine Stock Exchange ("PSE")?

Yes                                     No

PART I.  
INFORMATION REQUIRED IN THE INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

a. The annual shareholders' meeting of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") will be held on 13 July 2022 at 2:00 p.m. via Zoom Webinar at <https://sunlife.co/SLPF-ASHM2022> to be hosted from 8F Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634. The principal office of the Company is located at the 8<sup>th</sup> Floor Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634.

b. The approximate date on which the information statement and proxy form ("ASHM materials") will be sent to all shareholders is on 15 June 2022. Shareholders will receive the ASHM materials personally, by mail (by physical or electronic transmission). Further, shareholders will also have access to the ASHM materials via the SLAMCI website.

Item 2. Dissenter's Right of Appraisal. The Revised Corporation Code of the Philippines, specifically its Sections 80 to 85 of Title X, gives a dissenting shareholder or a shareholder who votes against certain corporate actions specified by law, the right to demand payment of the fair market value of his/her shares, commonly referred to as Appraisal Right. There is no matter or item to be submitted to a vote or acted upon in the annual shareholders' meeting of the Company which falls under the instances provided by law when dissenting shareholders can exercise their Appraisal Right.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a. No current director or officer of the Company, or nominee for election as directors of the Company or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

b. No director has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a. The Company has 3,174,724 outstanding common shares as of 31 May 2022. Each common share shall be entitled to one (1) vote with respect to all matters to be taken up during the annual shareholders' meeting.

b. The record date for determining shareholders entitled to notice of and to vote during the annual shareholders' meeting is 30 April 2022.

c. In the forthcoming annual shareholders' meeting, shareholders shall be entitled to elect five (5) members to the Board of Directors. Each shareholder may vote such number of shares for as many as five (5) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one (1) candidate as many votes as the number of his shares multiplied by five (5) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by five (5).

d. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Beneficial Owners. Holders of more than 5% of the Company's outstanding capital stock, if any, are included in the list of the Top 20 Shareholders, which is submitted to the SEC through a confidential disclosure.

On 7 March 2013, SEC en banc approved the confidential treatment of the list of Top 20 shareholders of the Sun Life Prosperity Funds, including its 5% and 10% beneficial owners. This is to protect the investors' privacy, which is a privilege they enjoy when they invest in other shared investment vehicles, such as unit investment trust funds, and when they invest in bank deposits. None of the officers in Item 5 below own more than 5% of the Company's securities.

2. Security Ownership of Management as of 10 June 2022 follows:

Title of Class	Name of Beneficial Owner	Number of Shares <sup>1</sup>	Nature of Ownership	Citizenship	Percent of Class
Common	Benedicto C. Sison	1	Beneficial (B) and Record (R)	Filipino and American	0.0000%
Common	Ma. Josefina A. Castillo	1	B & R	Filipino	0.0000%
Common	Oscar S. Reyes	1	B & R	Filipino	0.0000%
Common	Cielito F. Habito	1	B & R	Filipino	0.0000%
Common	Cesar Luis F. Bate	1	B & R	Filipino	0.0000%

The above individual owners can be contacted through the Corporate Secretary of the Company, Atty. Kabigting-Ibero, 6<sup>th</sup> Floor Sun Life Centre, 5<sup>th</sup> Avenue cor Rizal Drive, Bonifacio Global City, Taguig City 1634.

3. Voting Trust Holders of 5% or More. No holder of 5% or more of the Company's common shares has any voting trust or similar agreement that vest voting rights or other powers to a voting trustee.

4. Changes in Control. There has been no change in control of the Company since the beginning of the last fiscal year.

Item 5. Directors and Executive Officers

Nominees for Independent Directors, Mr. Oscar S. Reyes, Dr. Cielito F. Habito, and Mr. Cesar Luis F. Bate, were nominated by Ms. Valerie N. Pama to the Corporate Governance Committee. Ms. Pama is not related to the said nominees. The Corporate Governance Committee composed Mr. Bate as Chairman and Mr. Sison and Mr. Reyes as Members, pre-screens and shortlists all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications of the regulations named above and in accordance with the procedure outlined in the Company's Manual on Corporate Governance ("Manual").

Except for committee members who are independent directors themselves, none of the members of the Corporate Governance Committee are related to the independent directors.

a. The Company's directors—including independent directors—and executive officers are as follows:

Name	Citizenship	Position	Age	Term of Office	Period Served
Benedicto C. Sison	Filipino and American	Director/President Director/Chairman	61	2015 – June 2018 July 2018 - present	5 terms 4 terms

<sup>1</sup> Number of shares held in their capacity as Directors.



Valerie N. Pama	Filipino	Director/President	58	March 2022 – present	
Oscar S. Reyes	Filipino	Independent Director	76	2006-present	16 terms
Cesar Luis F. Bate	Filipino	Independent Director	61	November 2021 - present	
Cielito F. Habito	Filipino	Independent Director	68	2019 - present	2 terms
Sherwin S. Sampang	Filipino	Treasurer	42	November 2021 – present	
Anna Katrina C. Kabigting-Ibero	Filipino	Corporate Secretary	42	April 2020 - present	2 terms
Frances Ianna S. Canto	Filipino	Assistant Corporate Secretary	33	September 2020 - present	2 terms
Jemilyn S. Camania	Filipino	Compliance Officer	46	April 2020 - present	2 terms
Ria V. Mercado	Filipino	Risk Officer	46	2015-present	7 terms

A brief write-up on the business experience of the incumbent and incoming directors and executive officers of the Company are as follows:

**BENEDICTO C. SISON**

Chairman (2018 to present)

Director (2015 to 2018)

Mr. Benedicto C. Sison, 61 years old, is the CEO and Country Head of the Sun Life group of companies in the Philippines from 01 July 2018. He is a Director of Sun Life Financial Plans, Inc. (01 July 2018 to present). He is also the Chairman of Sun Life Financial Philippine Holding Company, Inc. (06 December 2021 to present) and serves as the Director and Chairman of the seventeen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., (September 2015 to present), Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc. (2017 to present), and Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc. (2018 to present) and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present). He is also the Director and Chairman of the Grepalife Funds such as Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (September 2015 to present). He is the Chairman of Sun Life Financial – Philippines Foundation, Inc., (September 2019 to present) where he also serves as Trustee. He was a Senior Advisor to the Board of Trustees of the Philippine Investment Funds Association (PIFA) and served as the President of the Philippine Life Insurance Association (PLIA).

Prior to his current role, Mr. Sison served as the Chief Strategy and Financial Management Officer of Sun Life of Canada (Philippines), Inc. (April 2015 to 2018). He also served as Chief Financial Officer of Sun Life Financial Asia (November 2012 to March 2015), Director of Sun Life Hong Kong Limited (December 4, 2012 to May 14, 2015), Commissioner of PT. Sun Life Indonesia Services (February 21, 2013 to July 5, 2013) and Commissioner of PT. Sun Life Indonesia (April 19, 2013 to April 23, 2015). He was also the Director/CFO and Treasurer of Sun Life Financial Philippine Holding Company, Inc. (September 2010 to December 2013), CFO and Treasurer of Sun Life Financial Plans, Inc. (September 2010 to December 2013), Director of Great Life Financial Assurance Corporation (July 2012 to September 2013) and Chief Financial Officer and Treasurer of Sun Life Asset Management Company, Inc. (September 2010 to June 2013) and Sun Life of Canada (Philippines), Inc. (September 2010 to October 2012). He also served as the Finance Director – Asia Pacific of Con-Agra International Food Group (September 2006 to August 2010).

He brings to the job a wealth of international finance experience gained primarily from ConAgra Brands, Inc., a multi-billion dollar global consumer products company. He held various positions with increasing responsibility in the areas of audit, financial control, planning and management in ConAgra's US, India and Asia-Pacific Operations. He was the Finance

Director for the Asia Pacific Region, based in China, prior to joining Sun Life. Mr. Sison also worked in the academe as well as in the aerospace, defense and public transit industries in the USA.

Mr. Sison is a Magna Cum Laude graduate of BS Business Administration from the University of the Philippines (1983). He earned his Master's degree in Business Administration, Major in Finance/Accounting (1988) from the Graduate School of Management of the University of California Riverside. He is a Certified Public Accountant (CPA) and is a member of the American Institute of CPAs.

#### VALERIE N. PAMA

President / Director (March 2022 to present)

Ms. Valerie N. Pama, 58 years old, is currently the Chief Asset Management Officer ("CAMO") of Sun Life of Canada (Philippines), Inc. Since November 1, 2019, Ms. Pama, in her capacity as CAMO, has been responsible for the expansion and development of the various initiatives to drive the profitability and growth of Sun Life's overall asset management business providing strategic direction and development of long-term plans and policies.

Currently, Ms. Pama is a Member and Trustee of Sun Life Financial-Philippines Foundation, Inc. (October 2020 to present), Member and Trustee of Filipina CEO Circle (2015 and 2018, respectively to present), Member of Management Association of the Philippines (2015 to present) and Financial Executives of the Philippines (2013 to present).

Ms. Pama is also the Chairman and Director of Grepalife Asset Management Corporation (December 2021 to present). She is the President and Director of seventeen (17) Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life of Canada Prosperity Bond, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (March 2022 to present). She is also the Director of BESTSERVE Financial Ltd. (HKG) (January 2021 to present).

Ms. Pama was previously the Director and President of Sun Life Investment Management and Trust Corporation (September 2020 to June 2021), responsible for its establishment and preparations for operations. She was a Director and President of Sun Life Asset Management Company, Inc. ("SLAMCI") (2011 to 2020) and Director and/or President of thirteen (13) Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., (formerly, "Sun Life Prosperity Money Market Fund, Inc."), Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc. and Sun Life Prosperity World Equity Index Feeder Fund, Inc. (2011 to 2020). She was also a Director and/or President of three (3) Grepalife Funds i.e. Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation (formerly, "Grepalife Bond Fund Corporation"), and Grepalife Fixed Income Fund Corporation (2011 to 2018). Ms. Pama was formerly the President of the Sun Life Prosperity Funds and the Grepalife Funds (2011 to 2013).

She also served as the Chief Operating Officer of SLAMCI (2011 to 2012) before being appointed as its President in 2013. With over seven years as President of SLAMCI, Ms. Pama has made tremendous contributions by leading it into becoming the number one non-bank asset management company. Under her vision and leadership, the company achieved great milestones: growing from three (3) mutual funds to sixteen (16) mutual funds to over Php100 Billion in Assets Under Management (AUM), launch of the Sun Life Prosperity Card, expanding the sales force into having the most number of Mutual Fund-licensed advisors in the industry and garnering numerous awards from the Philippine Investment Funds Association (PIFA). Another noteworthy recognition for SLAMCI under her management was being

named the best asset management company for the Philippines from Euromoney's 2018 Private Banking and Wealth Management survey.

Ms. Pama is a veteran banker, having been in the industry for 20 years. She started her career with Citibank N.A. in 1990 as a Management Associate, wherein she obtained exposure in various segments of the business, assuming progressively senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage and money market sales. By the time she retired from Citibank N.A. in 2009, Ms. Pama was the President of Citicorp Financial Services and Insurance Brokerage Inc.

Prior to joining Sun Life, Ms. Pama was a Product Development consultant for ING Bank's Investment Management Group.

Ms. Pama was a member of the Board of Trustees of the Philippine Investment Funds Association (PIFA) from 2011 to 2020 and served as its Chairman from 2013 to 2015. This enabled her to represent the mutual fund industry in advocating investor literacy, customer protection and regulatory advancements to government agencies, key market players and the general public.

Ms. Pama is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. She obtained her Masters in Business Administration in International Business and Finance, with a minor in Business Economics from Katholieke Universiteit Leuven in Belgium. She was awarded With Distinction by the university for her exemplary academic performance on her final year.

#### CIELITO F. HABITO

Independent Director (2019 to present)

Dr. Cielito F. Habito, 69 years old, is an Independent Director of Sun Life Prosperity GS Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity Philippine Stock Index Fund, Inc.; Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life Prosperity Dollar Wellspring Fund, Inc.; Sun Life Prosperity World Voyager Fund, Inc.; Sun Life Prosperity Wellspring Fund, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; and Sun Life Prosperity Achiever Fund 2048, Inc.; (2019 to present); Sun Life of Canada Prosperity Bond Fund, Inc. and Sun Life Prosperity Peso Starter Fund, Inc. (July 2021 to present) and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present)

He is a Professor of Economics at the Ateneo de Manila University, where he is also Director of the Ateneo Center for Economic Research and Development. He also serves as Chairman of Brain Trust Inc., Operation Compassion Philippines, and the Board of Advisers of the Team Energy Center for Bridging Leadership at the Asian Institute of Management; Lead Independent Director of First Gen Corporation; Trustee of the Ramon Magsaysay Award Foundation and the Ramos Peace and Development Foundation; and Member of the Board of Governors of the Management Association of the Philippines, National Advisory Council of WWF-Philippines (also known as Kabang Kalikasan sa Pilipinas), JICA-Philippines Advisory Committee, and the World Bank Civil Society Advisory Group.

He had also previously served in the Boards of Manila Water Company, Metropolitan Bank & Trust Company, Metrobank Card Corporation, Frontier Oil Corporation, Mutual Fund Company of the Philippines, One Wealthy Nation (OWN) Fund, Steel Corporation of the Philippines, Philsteel Holdings, Solidbank and Lepanto Consolidated Mining Co.

He served in the Cabinet of former President Fidel V. Ramos throughout his presidency in 1992-1998 as Secretary of Socioeconomic Planning, and Director-General of the National Economic and Development Authority (NEDA). Before joining government, he was Professor and Chairman at the Department of Economics of the University of the Philippines-Los Baños (UPLB). He also worked as Visiting Fellow of the Asian Development Bank Institute in Tokyo, Visiting Professor at the Asian Institute of Management and De La Salle Graduate School of Business, Visiting Research Fellow at the Center for Southeast Asian Studies in Kyoto University, Teaching Fellow at Harvard University and Research Consultant at the World Bank.

Dr. Habito is the recipient of numerous awards including the Presidential Award (2019) and Most Outstanding Alumnus Award (1993) of the UPLB Alumni Association, Philippine Legion of Honor (1998), The Outstanding Young Men (TOYM) of 1991, and the Gawad Lagablab (Outstanding Alumnus Award) of the Philippine Science High School (1991).

He graduated with a Bachelor of Science in Agriculture, Summa cum laude from the University of the Philippines-Los Baños in 1975. He earned a Master of Economics from the University of New England (Australia) in 1978 and Master of Arts in Economics (1981) and Ph.D. in Economics (1984) from Harvard University.

#### OSCAR S. REYES

Independent Director (2006 to present)

Mr. Oscar S. Reyes, 76 years old, is an Independent Director of the Sun Life Prosperity Dollar Abundance Fund, Inc. (2006 to present); Sun Life Prosperity Dollar Advantage Fund, Inc. (2002 to present); Sun Life of Canada Prosperity GS Fund, Inc. (2011 to present); Sun Life Prosperity Dynamic Fund, Inc. (2012 to present); Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity Achiever Fund 2028, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; Sun Life Prosperity Achiever Fund 2048, Inc.; and Sun Life Prosperity World Equity Index Feeder Fund, Inc. (formerly DECA Homebuilder Fund, Inc.) (2018 to present); Sun Life Prosperity Dollar Starter Fund, Inc. (July 2021 to present) and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022). He is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present).

Mr. Reyes' other current positions are: member of the Advisory Board of PLDT, Inc. and Basic Energy Corporation; Member, Advisory Council of the Bank of the Philippine Islands; Chairman, Pepsi Cola Products Philippines, Inc.; Director of PXP Energy Corp. and PLDT Communications and Energy Ventures, Inc.; Independent Director of Cosco Capital Inc., D.M. Wenceslao & Associates Inc., Sun Life Financial Plans, Inc., Pioneer Life Inc., Pioneer Insurance & Surety Corporation, Pioneer Intercontinental Insurance, Philippine Dealing System Holdings Corp., Philippine Dealing & Exchange Corporation, Philippine Depository & Trust Corporation, Philippine Securities Settlement Corporation, Team Energy Corporation, among other firms.

He completed his Bachelor of Arts degree in Economics at the Ateneo de Manila University in 1965 (Cum Laude) and did post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University in Ontario, Canada and the Harvard Business School in Boston, Massachusetts, USA.

#### CESAR LUIS F. BATE

Independent Director (November 2021 to present)

Mr. Cesar Luis F. Bate, 61 years old, is an Independent Director of twelve (12) Sun Life Prosperity Funds namely: Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Achiever Fund 2028, Inc.

Currently, Mr. Bate is the Managing Director of LMN Advisors/Partners Inc. ("LMN"). He established the consultancy firm LMN in October 2006 after being a stockbroker for 20 years. Prior to LMN, Mr. Bate was head of the Philippine operations of Macquarie Securities Philippines from 2004 to 2006. From 1995 to 2004, he was President of Dutch-owned ING Securities Philippines which was the country's largest stock brokerage house for years under his ten-year tenure. Mr. Bate started his career as a stockbroker with the local house A&A Securities in 1987 and joined British-owned Baring Securities as Head of Philippine sales in 1992.

Mr. Bate is a registered and authorized salesman of A&A Securities, Inc. He is an Independent Director of RM Commercial REIT, Inc. (2021 to present) and Director of Acacia Lane, Inc. (1980 to present). He was also a Member of the Board of Trustees of Jose Rizal University (2007 to 2016).

Mr. Bate graduated with a Bachelor of Science in Management Engineering from Ateneo de Manila University in 1984.

#### SHERWIN S. SAMPANG

Treasurer (November 2021 to present)

Mr. Sherwin S. Sampang, 42 years old, is the Treasurer of the Sun Life Prosperity Funds, i.e., the Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Bond Fund, Inc.; Sun Life Prosperity Dynamic Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity GS Fund, Inc.; Sun Life Prosperity Peso Starter Fund, Inc.; Sun Life Prosperity Philippine Stock Index Fund, Inc.; Sun Life Prosperity Dollar Wellspring Fund, Inc.; Sun Life Prosperity World Voyager Fund, Inc.; Sun Life Prosperity Dollar Starter Fund, Inc.; Sun Life Prosperity World Equity Index Feeder Fund, Inc.; Sun Life Prosperity Achiever Fund 2028, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; Sun Life Prosperity Achiever Fund 2048, Inc.; and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present)

Mr. Sampang is also the Treasurer of Sun Life Financial Plans, Inc. (October 2017 to present). Concurrently, he is Sun Life PH's Head of Financial Planning and Analysis and Treasurer of Sun Life Asset Management Company, Inc. His previous positions in Sun Life include Head of Accounting & Controllershship (November 2018 to September 2021) and Head of Finance Systems, Processes and Internal Controls (September 2016 to October 2018).

Mr. Sampang has over 21 years of local and international experience in Finance and Audit. He was the Chief Financial Officer/Head of Finance of QBE Seaboard Insurance Philippines, Inc., prior to joining Sun Life. His experience includes financial management leadership covering financial reporting, budgeting, forecasting, business insights, strategic planning, cost management, business process re-engineering, taxation and treasury. Prior to QBE Seaboard, he was a Director in the assurance practice of PwC Philippines and has acquired extensive international exposure from his 18-month secondment with Deloitte in Boston, MA, USA. He graduated with a degree in Bachelor of Science in Accountancy from Far Eastern University and attended the Management Development Program of the Asian Institute of Management. He maintains active membership in the Philippine Institute of Certified Public Accountants (PICPA).

#### JEMILYN S. CAMANIA

Compliance Officer and Data Protection Officer (April 2020 to present)

Atty. Jemilyn S. Camania is the Chief Compliance Officer of the seventeen Sun Life Prosperity Funds, i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc. (01 April 2020 to present), and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present). She is also the Chief Compliance Officer of Sun Life of Canada (Philippines), Inc.; Sun Life Financial Plans, Inc.; Sun Life Asset Management Company, Inc.; and Sun Life Financial – Philippines Foundation.

Atty. Camania started at Sun Life of Canada (Philippines), Inc. as Assistant Counsel (2004 to 2007), Counsel (2007 to 2011), Senior Counsel (2011 to 2012), and Deputy General Counsel (2012 to 2020) and Head of General Corporate Services (2016 to 2020). She also served as Senior International Counsel for Sun Life Asia (2016 to 2020). She also served as Corporate Secretary of Sun Life of Canada (Philippines), Inc. (2010 to 2020); Sun Life Financial Plans, Inc.

(2010 to 2020); Sun Life Asset Management Company, Inc. (2005 to 2020); Sun Life Financial Philippine Holding Company, Inc. (2012 to 2020); Sun Life Financial – Philippines Foundation (2012 to 2020); the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., (2005 to 2020), Sun Life Prosperity Dynamic Fund, Inc. (2012 to 2020), Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc. (2015 to 2020), Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., and Sun Life Prosperity Achiever Fund 2048, Inc. (2018 to 2020); Grepalife Asset Management Corporation (2011 to 2020); the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation (2011 to 2020); and the Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (2011 to 2020). Prior to joining Sun Life, she worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004).

Atty. Camania received her Bachelor of Arts in Psychology (1992) and Bachelor of Laws (2001) degrees from the University of the Philippines (Diliman). She passed the Bar Examinations in 2002. She is also a Fellow, Life Management Institute (2010), Professional, Customer Service (with honors) (2011), and Associate, Insurance Regulatory Compliance (2014) of the Life Office Management Association (LOMA).

ANNA KATRINA C. KABIGTING-IBERO  
Corporate Secretary (2020 to present)

Atty. Anna Katrina C. Kabigting-Ibero is the Corporate Secretary of the seventeen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., (April 2020 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present), and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (April 2020 to present). She is also the Corporate Secretary of Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc., Sun Life Financial Plans, Inc., Grepalife Asset Management Corporation, Sun Life Financial Philippine Holding Company, Inc., Sun Life Financial – Philippines Foundation, Inc., and Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (April 2020 to present). She was appointed as Corporate Secretary of Sun Life Investment Management and Trust Corporation last September 2020.

Prior to joining Sun Life in 2014, Atty. Ibero worked as an Associate Lawyer at the David Cui-David Buenaventura and Ang Law Offices (2006 to 2010). She later joined the Bank of the Philippine Islands as Legal and Compliance Officer of the Bank's Asset Management and Trust Group (2010 to 2014).

Atty. Ibero received her Bachelor of Arts Major in Legal Management (2000) and Bachelor of Laws (2005) from the University of Santo Tomas. She was called to the Bar in 2006.

FRANCES IANNA S. CANTO  
Assistant Corporate Secretary (September 2020 to present)

Atty. Frances Ianna S. Canto is the Assistant Corporate Secretary of the seventeen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc.

(formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present). She is also the Assistant Corporate Secretary of Sun Life Asset Management Company, Inc. and Sun Life Investment Management and Trust Corporation (September 2020 – present).

Prior to joining Sun Life in May 2020, Atty. Canto worked as a Legal and Compliance Officer of Manulife Philippines (March 2017), where she also served as Assistant Corporate Secretary and Alternate Data Protection Officer. Before joining Manulife, Atty. Canto briefly worked as a consultant with the Office of the Secretary of the Climate Change Commission and prior to that, as an Associate Lawyer at the Medialdea Ata Bello and Suarez Law Office (2013-2016).

Atty. Canto received her Juris Doctor degree from the Ateneo de Manila University. She was admitted to the Bar in May 2014.

RIA V. MERCADO

Risk Officer (2015 to present)

Ms. Ria V. Mercado, 46 years old, has been the Head of Risk Management of Sun Life Philippines since 2015. She is also the Risk Officer of the seventeen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., (2015 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022 to present), and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (July 2019 to present). She is also the Risk Officer of Sun Life Asset Management Company, Inc., Grepalife Asset Management Corporation, Sun Life of Canada (Philippines), Inc., Sun Life Grepa Financial, Inc. (July 2015 to present) and Sun Life Financial – Philippines Foundation, Inc. (December 2019 to present).

Prior to joining Sun Life in 2015, she was with Deutsche Knowledge Services (DKS), where she was Debt and Client Risk & Control Lead. In this capacity, she was responsible for risk and control initiatives and for proactively identifying and mitigating operations risks through quality assurance initiatives. Prior to DKS, she was with Standard Chartered Bank where she rose from Graduate Associate to AVP – Unit Operational Risk Manager.

Ms. Mercado holds a Master in Business Management degree from the Asian Institute of Management. She is a BS Business Administration graduate of the University of the Philippines (Diliman).

1. Independent Directors. Nominees for Independent Directors were nominated by Management to the Corporate Governance Committee. The nomination is in accordance with the guidelines and requirements set in the Securities and Exchange Commission (SEC) Memorandum Circular Nos. 24 (s. 2019) and 16 (s. 2002) and SRC Rule 38. Qualifications of Directors as enumerated in said circulars are strictly followed.
2. Nomination Process. The Corporate Governance Committee composed Mr. Bate as Chairman and Mr. Sison and Mr. Reyes as Members, pre-screens and shortlists all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications of the regulations named above and in accordance with the procedure outlined in the Company's Manual on Corporate Governance ("Manual").

Except for committee members who are independent directors themselves, none of the members of the Corporate Governance Committee are related to the independent directors. The following Final List of Candidates to the 2022 Board of Directors has been approved:

- 2.1 Mr. Benedicto C. Sison
- 2.2 Ms. Valerie N. Pama
- 2.3 Mr. Oscar S. Reyes
- 2.4 Mr. Cesar Luis F. Bate
- 2.5 Dr. Cielito F. Habito

Unless marked otherwise, proxies received will be voted for the election of each of the nominees stated in the proxy form.

b. Incorporators. The incorporators of the Company are: Esther C. Tan, Caesar P. Altarejos, Jr., Henry Joseph M. Herrera, Rizalina G. Mantaring, Raoul Antonio E. Litttau, and Rolando Robles

c. Significant Employees. The Company has no significant employees.

d. Family Relationships. There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated by the Company to become its directors or executive officers.

e. Involvement in Certain Legal Proceedings. None of the directors or persons nominated to become directors or executive officers of the Company has been involved during the past five (5) years in any legal proceeding which is material to an evaluation of their ability or integrity to serve as such, including, bankruptcy petition, conviction by final judgment, being subject to any order, judgment or decree, or violation of a securities or commodities law.

f. Certain Relationships and Related Transactions. The Company is not involved in any transaction or series of similar transactions, proposed or otherwise, with or involving any of its subsidiaries in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest during the last two (2) years.

g. Parent of the Company. The Company does not have a parent company.

h. Disagreement of Directors and Executive Officers. None of the directors has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of a disagreement with the Company on any matter relating the Company's operations, policies, or practices.

i. Compliance with Leading Practices on Corporate Governance. All of the directors and officers of the Company have attended a seminar on corporate governance given by a SEC-accredited provider. They attend a yearly training on Corporate Governance by a reputable provider, including topics global trends and best practices.

The Board reviews and updates its Manual on Corporate Governance at least annually to ensure that it is kept abreast of global leading practices and principles on good corporate governance. On a yearly basis, the Board Directors each accomplishes a Board Effectiveness Questionnaire to evaluate themselves as individual Directors and as a Board, to determine their skills and level of compliance with the Manual, as well as recommend changes to the Manual and Committee charters. This ensures that they remain independent and effective in implementing their respective mandates and discharging their duties and responsibilities. As a result of the recommendations from the Board on how to better improve Corporate Governance, they now hold a confidential meeting to discuss strategy every year.

The Company also has robust and effective risk management policies and procedures in place to identify, mitigate and manage risks arising from the Company's operations. On a yearly basis, the Company's Compliance Officer issues a Certification which confirms that the Company substantially adopted all the provisions in the Manual of Corporate Governance, as prescribed by the SEC. Accounts of deviation, if any, are duly reported by the Compliance Officer, as necessary.



## Item 6. Compensation of Directors and Executive Officers

a. Compensation of Executive Officers. The executive officers of the Company do not receive any form of compensation from their appointment up to the present.

b. Compensation of Directors. The directors do not receive any form of compensation from inception up to the present other than a PHP20,000.00 per diem for meetings attended. Only the members of the Board who are "external directors", i.e., those who are not officers and/or employees of SLOCPI, receive remuneration for their attendance in regular or special meetings of the Board at the rate of PHP20,000.00 to each director for every meeting attended. Their contributed efforts to the Fund are on a voluntary basis only. Also, there are no bonuses, profit sharing or other compensation plan, pension or retirement plan, contract or arrangement in which any director or nominee for election as a director or executive officer of the Fund will participate.

However, starting on January 01, 2010, each external director, as defined above, shall also receive a retainer's fee not to exceed PHP15, 000.00 per quarter. Payment of such retainer's fee shall be shared by the Fund with the other Sun Life Prosperity Funds which the external director also serves, provided that each external director shall receive only a maximum of PHP15, 000.00 per quarter from all the Sun Life Prosperity Funds which he serves as director.

Total per diem received by the Fund's directors for the year 2021 and 2020 are US\$ 10,167 and US\$ 6,370, respectively as presented in the audited financial statements.

The Board has four (4) regular quarterly meetings for 2021, including the organizational board meeting after the annual shareholders' meeting. For the four (4) meetings and with four (4) members of the Board who are external directors entitled to receive per diem, the Fund forecasts a total directors' per diem of PHP 320,000 (approximately US\$ 6,275) for the year 2022. The external directors are also forecasted to receive a total of PHP 24,615 (approximately US\$ 483) as retainer's fees for 2022.

c. Employment Contracts and Termination of Employment and Change-in-Control Arrangements. There are no other standard or consulting arrangements or any compensatory plan relating to the resignation/retirement by which directors and officers are to be compensated other than that previously stated.

d. Warrants and Options Outstanding: Repricing. The Company has no outstanding warrants or options held by the Company's executive officers, officers and directors.

e. Compensation Committee. The Company currently has no Compensation Committee; the Board decides the compensation of the directors, but no director participates in deciding his remuneration.

Item 7. Independent Public Accountants. During the two (2) most recent fiscal years, Navarro Amper and Co./Deloitte Touche Tohmatsu served as the Company's principal accountants and external auditors. The signing partner is Mr. Joefrey Mark Ferrer, who has served in said capacity since 2020. The same auditors are being recommended for re-election at the scheduled annual shareholders' meeting. Representatives of the said firm are expected to be present at the upcoming annual shareholders' meeting to respond to appropriate questions and to make a statement if they so desire.

In compliance with SRC Rule 68, as amended, the Company intends to change external auditors or audit engagement partners, at least once every five (5) years.

Audit and Audit-Related Fees. For 2021 and 2020, aggregate fees billed for professional services rendered by the external auditor for the audit of the Fund's annual financial statements and services normally provided by external auditors in connection with statutory and regulatory filings amounted to US\$3,510 and US\$ 3,739, respectively. There were no other payments made to the auditor for any other service, including assurance, tax and related services.

The Company's Audit and Compliance Committee hears the client service plan and service fee proposal presented by the external auditor and recommends such for the approval of the Board of Directors if found acceptable. Said Committee is composed of the following: Mr. Reyes as Chairman and Mr. Bate and Dr. Habito as Members.

Item 8. Compensation Plans. No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed to its directors or employees.

### C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities Other than for Exchange. No action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. Modification or Exchange of Securities. No action is to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. Financial and Other Information. No actions to be taken with respect to items 9 or 10. Report on Management's Discussion is attached as part of the annexes to SEC form Definitive 20-IS.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters. No action is to be taken with respect to any transactions involving the: 1. merger or acquisition of the Company into or with any other person or any other person into or with the Company; 2. acquisition of the Company or any of its security holders of securities of another person; 3. acquisition by the Company of any other going business or of the assets thereof; 4. sale or other transfer of all or any substantial part of the assets of the Company; or 5. liquidation or dissolution of the Company.

Item 13. Acquisition or Disposition of Property. No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. Restatement of Accounts. No action is to be taken with respect to the restatement of any asset, capital or surplus account of the Company.

### D. OTHER MATTERS

Item 15. Action with Respect to Reports. The minutes of the meeting and related records are available for inspection by any shareholder at the office of the Company during business hours. Management recommends a vote FOR the approval of the minutes of the 2021 Shareholders' Meetings on 14 July 2021 and 10 September 2021 (continuation). Also submitted for approval is the Annual Report (SEC Form 17A) and the audited Financial Statements for the year ended 31 December 2021 and the Quarterly Report for the First Quarter (SEC Form 17Q1).

Item 16. Matters Not Required to be Submitted. No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, Bylaws, or Other Documents. With respect to any amendment of the Company's charter, by-laws, or other documents, Management recommends a vote FOR the following:

a. Management proposes that the stockholders representing at least 2/3 of the outstanding capital stock approve the amendment of the Article III of the Articles of Incorporation to indicate the principal address of the Company as Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, Metro Manila, Philippines. The amendment shall have no effect on the operations of the Company and is undertaken to comply with the requirements of SEC Memorandum Circular No. 6, Series of 2014.

b. With respect to amendment of the Company's charter, by-laws, or other documents, Management proposes that stockholders representing majority of the outstanding capital stock approve the amendment of the Articles of Incorporation to increase the number of directors to six (6), pursuant to the requirements of the Implementing Rules

and Regulations of the Investment Company Act ("ICA IRR"), that 50% of the Board should be composed of Independent Directors. The proposed amendment is as follows:

"ARTICLE VI. That the number of directors of this Corporation shall be six (6) and the names, nationalities and residences of the first directors of the corporation who are to serve until their successors are elected and qualified as provided by the By-laws are as follows: xxx"

Item 18. Other Proposed Action. Aside from the foregoing, there is no other proposed action.

Item 19. Voting Procedures. All elections and all questions, except as otherwise provided by law, shall be decided by the plurality vote of the shareholders present in person or by proxy; provided that a quorum (10% of the voting stock) is present. In case of election of directors, a majority vote (50% of the voting stock +1) is required.

The right to vote of investors as of the Record Date may be exercised in person, through proxy, or so when so authorized in the By-laws or when approved by the majority of the Board of Directors, through remote communication or in absentia. The Fund will accept proxy votes from its stockholders by emailing SunLifeFunds@sunlife.com until Sunday, 03 July 2022 (at least 10days prior to the ASHM). The same shall be remotely validated by the Fund before the close of business hours on or before 08 July 2022 (at least 5 days prior to the ASHM). Investors who will decide to attend the ASHM via Zoom may also exercise their right to vote in absentia via the Zoom poll functionality available during the conduct of the ASHM. Client identification may be verified during the pre-registration process.

Thereafter, the Corporate Secretary will proceed to count and tabulate the votes casted via remote communication or in absentia, and those who voted through proxy.

## PART II. INFORMATION REQUIRED IN A PROXY FORM

Item 1. Identification. The solicitation of proxies is made for and on behalf of Ms. Pama, President of the Company, and the proxy given will be voted in accordance with the authority contained therein. Atty. Anna Katrina C. Kabigting-Ibero, Corporate Secretary, will cast the votes in case of his absence.

Item 2. Instruction. Proxy forms attached to the notice of the annual shareholders' meeting appoint Ms. Pama, President of the Company, to represent and vote all shares registered in the name of the shareholder. The following need to be indicated by the shareholder on the form: a. Date and place the form was signed; b. Shareholder's complete name; and c. Signature.

Upon receipt of a duly completed proxy form through regular mail, fax, or email (sent using the shareholder's registered email address with the Company), the Company will ensure that the forms are in order and that the above requirements have been complied with. Shareholder names and signatures appearing on the proxy form that are irreconcilable against Company records will be considered void.

Should defects be noted on a duly completed proxy form with regard to items (a) and (b) above, the Company has the option to determine ways and means by which the defect could be corrected, in which case the proxy form would be considered valid. Proxy forms not meeting the above requirements would not be counted.

Item 3. Revocability of Proxy. A shareholder giving a proxy has the power to revoke it at any time prior to its exercise by voting in person at the Annual Meeting, by giving written notice to the Corporate Secretary prior to the Annual Meeting, or by giving another proxy with a later date provided it is received by the office of the Corporate Secretary not later than ten (10) days prior to the Annual Meeting.

Item 4. Persons Making the Solicitation.

- a. The proxy solicitation is conducted on behalf of the Company by SLAMCI as part of its management services and is to be made through electronic mail or the Internet, registered mail and courier service. No director of the Company has informed the Company in writing that he intends to oppose any action intended to be taken.
- b. Proxies may also be solicited by SLAMCI employees assigned to Investor Services, without additional compensation, personally or by written communication, telephone or other electronic means. Ms. Marleen Kaye Simbillo has been designated as the contact person for all inquiries related hereto at contact number (632) 8849-9888 with address at 8th Floor Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634, and email address marleen.kaye.simbillo@sunlife.com.
- c. Likewise, no especially engaged employee or paid solicitors are to be involved in this exercise.
- d. The Company will bear the cost of preparing and mailing this proxy statement and other materials furnished to shareholders in connection with the proxy solicitation. The foregoing is estimated to cost about PHP 1,000,000.00 for all the Sun Life Prosperity Funds.

Item 5. Interest of Certain Persons in Matters to be Acted Upon. As of 31 March 2022, records show that SLOCPI owns 0% of the Company's outstanding capital stock. Mr. Benedicto Sison, Country Head and CEO of Sun Life of Canada (Philippines), Inc. ("SLOCPI"), has the power to vote of the shares or direct the voting of the shares held SLOCPI Agents' Provident Plan.

SHAREHOLDERS OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING SHALL BE FURNISHED WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT OR SEC FORM 17-A, UPON WRITTEN REQUEST ADDRESSED TO:

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.  
OFFICE OF THE CORPORATE SECRETARY  
6<sup>TH</sup> FLOOR, SUN LIFE CENTRE, 5<sup>TH</sup> AVENUE COR. RIZAL DRIVE  
BONIFACIO GLOBAL CITY, TAGUIG CITY 1634

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct.

Sun Life Prosperity Dollar Abundance Fund, Inc.  
Issuer



ATTY. ANNA KATRINA C. KABIGTING-IBERO  
Corporate Secretary

Date: 20 May 2022

# Annex “A”

## ANNEX TO THE AGENDA

Sun Life of Canada Prosperity Bond Fund, Inc.  
Sun Life of Canada Prosperity Balanced Fund, Inc.  
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.  
Sun Life Prosperity Peso Starter Fund, Inc.  
Sun Life Prosperity Dollar Advantage Fund, Inc.  
Sun Life Prosperity Dollar Abundance Fund, Inc.  
Sun Life Prosperity GS Fund, Inc.  
Sun Life Prosperity Dynamic Fund, Inc.  
Sun Life Prosperity Philippine Stock Index Fund, Inc.  
Sun Life Prosperity Dollar Wellspring Fund, Inc.  
Sun Life Prosperity World Voyager Fund, Inc.  
Sun Life Prosperity Dollar Starter Fund, Inc.

### **Acts and Proceedings of the Board and Corporate Officers for Confirmation and Ratification of the Stockholders:**

1. Election and/or appointment of officers, committee members and representatives to the Philippine Investment Funds Association (PIFA)
2. Continuation of the Management Agreement and Distribution Agreement and Transfer Agency Agreement with Sun Life Asset Management Company, Inc. (SLAMCI)
3. Amendment of Prospectus
4. Approval of the 2021 Audited Financial Statements
5. Approval of Manual on Corporate Governance
6. Approval of Board Committee Charters
7. Execution of Deed of Undertaking in relation to the amendment of Sun Life Prosperity Funds<sup>1</sup>
8. Change in Cash/Liquidity and Peso Bond Benchmarks
9. Reduction in Minimum Initial and Subsequent Investment Amounts of Sun Life Prosperity Funds<sup>2</sup>
10. Declaration of Stock Dividends<sup>3</sup>
11. The joint holding of the Sun Life Prosperity Funds’ Annual Stockholders’ Meetings on 13 July 2022 through remote communications in accordance with SEC Memorandum No. 6, dated March 12, 2020, using Zoom’s Video Conferencing facility. Stockholders of record of the Funds as of 30 April 2022 shall be entitled to notice of and to attend and vote at said meeting.

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<sup>1</sup> Sun Life Prosperity Peso Starter, Dollar Starter, Index and World Voyager Funds

<sup>2</sup> Sun Life Prosperity Dollar Abundance, Dollar Advantage, Dollar Wellspring, and World Voyager Funds

<sup>3</sup> Sun Life Prosperity Dollar Wellspring Fund

**(DRAFT) MINUTES OF THE JOINT ANNUAL STOCKHOLDERS' MEETING**

**Sun Life of Canada Prosperity Bond Fund, Inc.**  
**Sun Life of Canada Prosperity Balanced Fund, Inc.**  
**Sun Life of Canada Prosperity Philippine Equity Fund, Inc.**  
**Sun Life Prosperity Dollar Abundance Fund, Inc.**  
**Sun Life Prosperity Dollar Advantage Fund, Inc.**  
**Sun Life Prosperity Peso Starter Fund, Inc.**  
*(formerly, Sun Life Prosperity Money Market Fund, Inc.)*  
**Sun Life Prosperity GS Fund, Inc.**  
**Sun Life Prosperity Dynamic Fund, Inc.**  
**Sun Life Prosperity Philippine Stock Index Fund, Inc.**  
**Sun Life Prosperity Dollar Wellspring Fund, Inc.**  
**Sun Life Prosperity World Voyager Fund, Inc.**  
**Sun Life Prosperity Dollar Starter Fund, Inc.**

Held on 14 July 2021 from 2:00 p.m. to 3:21p.m.  
via Zoom Webinar

**Total number of shares present and represented:** Please see Annex "A"

**Members of the Board  
of Directors Present:**

BENEDICTO C. SISON  
MA. JOSEFINA A. CASTILLO  
GERALD L. BAUTISTA  
OSCAR M. ORBOS\*  
ALELI ANGELA G. QUIRINO\*  
OSCAR S. REYES\*  
CIELITO F. HABITO\*

**Also Present:**

VALERIE N. PAMA  
TERESITA J. HERBOSA  
CANDY S. ESTEBAN  
MICHAEL GERARD D. ENRIQUEZ  
ANNA KATRINA C KABIGTING-IBERO  
FRANCES IANNA S. CANTO  
NAVARRO AMPER & CO./DELOITTE TOUCHE  
TOHMATSU

**1. CALL TO ORDER**

Mr. Benedicto C. Sison, Chairman, called to order the Joint Annual Stockholders' Meeting of the Sun Life of Canada Prosperity Bond Fund, Inc. ("Bond Fund"), Sun Life of Canada Prosperity Balanced Fund, Inc. ("Balanced Fund"), Sun Life of Canada Prosperity Philippine Equity Fund, Inc. ("Philippine Equity Fund"), Sun Life Prosperity Dollar Advantage Fund, Inc. ("Dollar Advantage Fund"), Sun Life Prosperity Dollar Abundance Fund, Inc. ("Dollar Abundance Fund"), Sun Life Prosperity Dynamic Fund, Inc. ("Dynamic Fund"), Sun Life Prosperity GS Fund, Inc. ("GS Fund"), Sun Life Prosperity Peso Starter Fund, Inc. (formerly, Sun Life Prosperity Money Market Fund, Inc.) ("Peso Starter Fund"), Sun Life Prosperity Philippine Stock Index Fund, Inc. ("Philippine Stock Index Fund"), Sun Life Prosperity Dollar Wellspring Fund, Inc. ("Dollar Wellspring Fund"), Sun Life Prosperity World Voyager Fund, Inc. ("World Voyager Fund") and Sun Life Prosperity Dollar Starter Fund, Inc. ("Dollar Starter Fund") which are collectively known

as the Sun Life Prosperity Funds (the "Funds"). He thereafter presided over the same. Atty. Frances Ianna S. Canto, Assistant Corporate Secretary, recorded the minutes thereof.

## **2. PROOF OF NOTICE OF MEETING**

Atty. Anna Katrina Kabigting-Ibero, Corporate Secretary, confirmed that the holding of the virtual annual stockholders meeting is in accordance with the requirements set forth by the Securities and Exchange Commission. Likewise, the necessary approvals from the Board of Directors have been obtained and all requirements have been complied with in order to protect the interests of the stockholders.

Thereafter, she certified that the stockholders of record as of 30 April 2021 were duly notified of the meeting. The notices were sent electronically, posted on the Sun Life Asset Management Corporation, Inc. ("SLAMCI") website, and likewise published in newspapers of general circulation

## **3. CERTIFICATION OF QUORUM**

The Secretary reported the attendance based on the Attendance Sheet as well as the proxies received before the meeting. The attendance is set forth in Annex "A" of the minutes.

## **4. CHAIRMAN'S ADDRESS**

Through a pre-recorded video, Sun Life Prosperity Funds Chairman, Mr. Benedicto C. Sison, welcomed the stockholders to the Sun Life Prosperity Funds' annual meeting.

In his message, Mr. Sison recalled how 2020 was Sun Life Asset Management Company, Inc.'s (SLAMCI) 20<sup>th</sup> anniversary, but due to the pandemic, the planned celebrations for the said milestone had to be put on hold. Instead, the Company focused on delivering the best service possible notwithstanding the unusual circumstances brought about by the pandemic.

According to Mr. Sison, while 2020 presented various challenges, Sun Life's foresight in implementing the Online Payment Page, Auto-Invest Program, Bills Payment Program, SLAMCI Online, and Sun RISE Portal, paid off during the pandemic. He added that these digital capabilities were complemented with constant communications with clients through monthly webinars and regular newsletters shared via email. He also reported that with the recession experienced worldwide, the Company adopted a prudent risk management approach and financial discipline in running the business. Because of these, SLAMCI was able to grow the number of its investors to 170,000 and breached the Php127billion mark of assets under management representing an almost 60% year-on-year growth, which is double than the mutual fund industry growth rate.

Mr. Sison thereafter thanked Mr. Valerie N. Pama, the former president of SLAMCI, for her vision and guidance that paved the way for SLAMCI's stability and resilience. As Ms. Pama takes on another leadership role in Sun Life, Mr. Sison expressed confidence in her successor, Mr. Gerald Bautista. He shared that Mr. Bautista took over SLAMCI amid the pandemic while ensuring that investors are well taken care of.

Finally, Mr. Sison reiterated that Sun Life is anchored on its commitment to be its clients' partner to prosperity. According to him, this commitment is what will guide the organization to

transform with the time not only responding to the changes, but also anticipating them to provide financial solutions in a timely manner.

## 5. REVIEW OF 2020 OPERATIONS

Ms. Candy S. Esteban, Treasurer of the Funds, presented a review of the Funds' operations and financial performance in 2020.

## 6. 2020 FUND PERFORMANCE

Mr. Michael Gerard D. Enriquez made a Video Presentation on the 2020 Fund Performance. After the video presentation, he invited the stockholders to join the Market Outlook Forum which will be held right after the Stockholders' Meeting.

## 7. ELECTION OF DIRECTORS FOR THE TERM 2021 to 2022

The Corporate Secretary informed the Chairman that the voting procedure and resumes of the nominees for directors have been stated in the SEC Form 20-IS and circulated to the stockholders prior to the annual meeting. The Assistant Corporate Secretary explained that eligible stockholders may cast their votes through the poll function of Zoom. She added that the preliminary results of votes on proxies submitted and validated as of 04 July 2021 shall be provided during the meeting, with the final results being reflected in the minutes of the meeting.

With the affirmative vote of 50% + 1 of the outstanding capital stock, the following were elected as members of the Boards of Directors:

**a. SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.**

1. Benedicto C. Sison
2. Ma. Josefina A. Castillo
3. Teresita J. Herbosa (independent)
4. Cielito F. Habito (independent)
5. Oscar M. Orbos (independent)

**b. SUN LIFE PROSPERITY PESO STARTER FUND, INC. (formerly, Sun Life Prosperity Money Market Fund, Inc.)**

1. Benedicto C. Sison
2. Ma. Josefina A. Castillo
3. Gerald L. Bautista
4. Teresita J. Herbosa (independent)
5. Cielito F. Habito (independent)
6. Oscar M. Orbos (independent)

**c. SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.**

1. Benedicto C. Sison
2. Ma. Josefina A. Castillo
3. Aleli Angela G. Quirino (independent)
4. Oscar S. Reyes (independent)
5. Oscar M. Orbos (independent)



The following Funds failed to secure the required number of votes to elect its Boards of Directors for the term 2021-2022:

- a. Sun Life of Canada Prosperity Balanced Fund, Inc.
- b. Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
- c. Sun Life Prosperity Dollar Advantage Fund, Inc.
- d. Sun Life Prosperity Dollar Abundance Fund, Inc.
- e. Sun Life Prosperity Dynamic Fund, Inc.
- f. Sun Life Prosperity GS Fund, Inc.
- g. Sun Life Prosperity Philippine Stock Index Fund, Inc.
- h. Sun Life Prosperity Dollar Wellspring Fund, Inc.
- i. Sun Life Prosperity World Voyager Fund, Inc.

A continuation of the annual meeting will be held on 10 September 2021 at 10:00 a.m. via Zoom Conference. In the meantime, the present Board of Directors for the above Funds will continue to serve as such until their successors are elected and duly qualified.

**8. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETING**

With a majority vote of the stockholders present or represented during the online meeting, the minutes of the meetings held on 22 July 2020 and 18 September 2020 were approved.

**9. CONFIRMATION AND RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD AND CORPORATE OFFICERS**

With a majority vote of the stockholders present or represented during the online meeting, the resolution to approve the confirmation and ratification of all acts and proceedings of the Board of Directors and Officers of the previous year was approved.

**10. APPOINTMENT OF EXTERNAL AUDITOR**

With a majority vote of the stockholders present or represented during the online meeting, the stockholders appointed Navarro Amper and Co./Deloitte Touche Tohmatsu as the Funds' external auditor for 2021.

**11. OTHER MATTERS**

**Amendments of the Articles of Incorporation**

Due to the failure to meet the requirement that 2/3 of the outstanding capital stock should be present in person or by proxy, the agenda to amend Article VI of the Funds'<sup>1</sup> Articles of Incorporation to increase the number of directors to six (6), remain unapproved.

Likewise, due to the failure to meet the requirement that 2/3 of the outstanding capital stock should be present in person or by proxy, the agenda to amend Article III of the Funds'<sup>2</sup>

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<sup>1</sup> *Balanced Fund, Dollar Abundance Fund, Dollar Advantage Fund, Philippine Equity Fund, GS Fund, Dynamic Fund, Stock Index Fund, World Voyager Fund.*

<sup>2</sup> *Balanced Fund, Dollar Abundance Fund, and Philippine Equity Fund.*

Articles of Incorporation to amend the date and time of the annual stockholders meeting, remain unapproved.

### Amendments of the By-Laws

Due to the failure to meet the requirement that majority of the outstanding capital stock should be present in person or by proxy, the agenda to amend Section 1, Article 1 of the By-Laws on the date and time of Annual Stockholders Meeting, and the delegation of power to amend Articles I, II, III, IV, and VI of the By-Laws of Sun Life of Canada Prosperity Balanced Fund, Inc.'s, remain unapproved.

Meanwhile, the following amendments to the respective By-Laws of the Sun Life Prosperity Peso Starter Fund, Inc. and Sun Life Prosperity Dollar Starter Fund, Inc. were approved after obtaining the required 50% +1 affirmative vote of the outstanding capital stock:

- a. Article I (Section 3) with regard to the notice of regular meetings to stockholders be sent out at least 21 calendar days prior to scheduled meeting date);
- b. Article II (Section 1) with regard to the election of Independent Directors in the Board, pursuant to relevant regulations;
- c. Article VIII (Section 1) on the update in the Investment Policy, to align with the provisions of the Investment Company Act-Implementing Rules and Regulations, as amended; and
- d. Article IX (Section 1) on the determination of net asset value, to be consistent with the Investment Company Act-Implementing Rules and Regulations, as amended.

Likewise, the amendments to Article III (Sections 1, 4, 5, and 6) and Article VII (Section 1) of the Sun Life Prosperity Peso Starter Fund, Inc. By-Laws, and Article III (Sections 1 and 6) of the Sun Life Prosperity Fund Dollar Starter By-Laws, on the election of a Compliance Officer as one of the corporate officers, were both approved.

### Amendment of Investment Objective

The amendment of the Investment Objective in the Registration Statement/Prospectus of Sun Life Prosperity Peso Starter Fund, Inc. was approved by at least 50% + 1 of the outstanding capital stock.

## **12. QUESTIONS FROM THE STOCKHOLDERS**

From the Question & Answer Function of the Zoom Webinar Application, the moderator chose the four most-asked questions. The first one was how SLAMCI adjusted to the pandemic in terms of business operations. Mr. Sison responded that the pandemic did not change how the Company prioritizes its clients. As such, various learning sessions and regular market updates were provided during the year. Communication lines with advisors and relationship managers, including opening some Client Service Centers, were done to ensure that investors are always guided. Similarly, advisors and employees were also provided with monthly learning sessions. Mr. Sison added that various processes were improved as the Company embraced going digital. Mr. Gerald L. Bautista, SLAMCI President, chimed in and shared with the stockholders various digital touchpoints to be able to continue servicing the needs of the clients.

The moderator then directed the second question to Mr. Bautista and asked what the stockholders can expect from him as he takes over the mutual fund business of Sun Life. Mr. Bautista replied by first thanking Ms. Pama for the strong business foundation that she established.

Mr. Bautista shared that over the coming months, he intends to continue improving client experience by introducing new initiatives aimed at making investing simple and easy. SLAMCI will also launch new products to meet the growing needs of the investors.

The third question is whether the Company expects the exponential growth of the Peso Starter and Dollar Starter Funds to continue. Ms. Esteban took the question and replied that if the Bangko Sentral ng Pilipinas continue to maintain low rates, then the continued flows into the Starter Funds may be expected. She added that global equity funds such as the World Equity Index Feeder Fund and World Voyager Feeder Fund also reported healthy growth as developed markets recovered faster than the local markets.

Finally, the moderator directed the fourth question of "What investment advice can you give to us investors, given the market conditions?" to Mr. Enriquez. Mr. Enriquez responded that the best strategy is for clients to use Portfolio Diversification and Asset Allocation in their investments as this will reduce their risk. However, he cautioned investors that they should not forget to know their risk profile before investing and to ensure that they are able to tolerate the volatility of the portfolio they are investing in. He again invited the investors to join the Market Forum Outlook that will follow after the Annual Stockholders' Meeting whether Fund Manager of the Sun Life Prosperity Funds will discuss the market in more detail.

### 13. ADJOURNMENT

There being no other matter for discussion, upon motion duly made and seconded, the Joint Annual Stockholders' Meeting of the Sun Life Prosperity Funds was adjourned at 3:21 pm.

**FRANCES IANNA S. CANTO**  
Assistant Corporate Secretary

ATTESTED TO BY:

**BENEDICTO C. SISON**  
*Chairman*  
Sun Life Prosperity Funds\*

**MA. JOSEFINA A. CASTILLO**  
*President*  
Sun Life Prosperity Funds\*

**GERALD L. BAUTISTA**  
*Director*  
Peso Starter Fund

**ALELI ANGELA G. QUIRINO**  
*Independent Director*  
Balanced, GS, Dynamic, Index, Dollar  
Wellspring, World Voyager and Dollar Starter  
Funds

**OSCAR M. ORBOS**  
*Independent Director*

**CIELITO F. HABITO**  
*Independent Director*

Dynamic, Philippine Equity, Stock Index,  
Dollar Abundance, Dollar Advantage, Dollar  
Wellspring, Bond, Peso Starter, World Voyager  
and Dollar Starter Funds

GS, Bond, Balanced, Peso Starter, Philippine  
Equity, Stock Index, Dollar Abundance,  
Dollar Advantage, Dollar Wellspring and  
World Voyager Funds

**OSCAR S. REYES**

*Independent Director*

Balanced, Philippine Equity, Dollar  
Abundance, Dollar Advantage, GS, Dynamic  
and Dollar Starter Funds

**TERESITA J. HERBOSA**

*Independent Director*

Bond and Peso Starter Funds

DRAFT

## Annex "A"

### 2021 Joint Annual Stockholders' Meetings Stockholders Present and Represented, Per Fund

Sun Life Prosperity Fund	Total Shares Subscribed (Outstanding Capital Stock as of 30 April 2021)	Stockholder Attendance (in shares)	Attendance (in percentage) for Quorum Requirement
Bond Fund	1,552,622,800	828,081,026	53.33%
Balanced Fund	2,337,601,095	564,642,905	24.15%
Equity Fund	2,212,999,881	306,317,863	13.84%
Dollar Advantage Fund	8,251,450	2,242,972	27.18%
Peso Starter Fund	19,997,582,166	18,144,005,268	90.73%
Dollar Abundance Fund	3,793,870	491,405	12.95%
GS Fund	147,011,650	32,778,346	22.30%
Dynamic Fund	1,478,984,971	509,722,359	34.46%
Index Fund	3,175,882,822	1,305,005,045	41.09%
Dollar Wellspring Fund	5,838,470	2,447,555	41.92%
World Voyager Fund	5,999,263	1,305,305	21.76%
Dollar Starter Fund	5,905,673	4,799,580	81.27%

**DRAFT MINUTES OF THE CONTINUATION OF THE  
JOINT ANNUAL STOCKHOLDERS' MEETING**

**Sun Life of Canada Prosperity Balanced Fund, Inc.  
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.  
Sun Life Prosperity Dollar Abundance Fund, Inc.  
Sun Life Prosperity Dollar Advantage Fund, Inc.  
Sun Life Prosperity Dynamic Fund, Inc.  
Sun Life Prosperity GS Fund, Inc.  
Sun Life Prosperity Philippine Stock Index Fund, Inc.  
Sun Life Prosperity Dollar Wellspring Fund, Inc.  
Sun Life Prosperity World Voyager Fund, Inc.**

Held on 10 September 2021 from 10:00 a.m. to 10:27 a.m.  
via Zoom Webinar

**Total number of shares present and represented:** Please see Annex "A"

**Members of the Board  
of Directors Present:**

BENEDICTO C. SISON  
MA. JOSEFINA A. CASTILLO

**Also Present:**

VALERIE N. PAMA  
GERALD L. BAUTISTA  
EDGAR S. TORDESILLAS  
ANNA KATRINA C KABIGTING-IBERO  
FRANCES IANNA S. CANTO  
DINO S. MACASAET  
NICHOLAS R. VELUZ

**1. CALL TO ORDER**

Mr. Benedicto C. Sison, Chairman, called to order the Continuation of the Joint Annual Stockholders' Meeting of the Sun Life of Canada Prosperity Balanced Fund, Inc. ("Balanced Fund"), Sun Life of Canada Prosperity Philippine Equity Fund, Inc. ("Philippine Equity Fund"), Sun Life Prosperity Dollar Advantage Fund, Inc. ("Dollar Advantage Fund"), Sun Life Prosperity Dollar Abundance Fund, Inc. ("Dollar Abundance Fund"), Sun Life Prosperity Dynamic Fund, Inc. ("Dynamic Fund"), Sun Life Prosperity GS Fund, Inc. ("GS Fund"), Sun Life Prosperity Philippine Stock Index Fund, Inc. ("Stock Index Fund"), Sun Life Prosperity Dollar Wellspring Fund, Inc. ("Dollar Wellspring Fund"), and Sun Life Prosperity World Voyager Fund, Inc. ("World Voyager Fund"), which are collectively known as the Sun Life Prosperity Funds (the "Funds"). He thereafter presided over the same. Atty. Frances Ianna Canto, Assistant Corporate Secretary, prepared the minutes thereof.

## 2. PROOF OF NOTICE OF MEETING

Atty. Anna Katrina Kabigting-Ibero, Corporate Secretary, confirmed that the holding of the virtual stockholders meeting is in accordance with the requirements set forth by the Securities and Exchange Commission. Likewise, the necessary approvals from the Board of Directors have been obtained and all requirements have been complied with in order to protect the interests of the stockholders.

She certified that 100% of the stockholders of record as of 30 April 2021 were duly notified of the Joint Annual Stockholders Meeting held last 14 July 2021. For the present continuation meeting, Atty. Ibero informed the Chairperson that additional notices were sent electronically and via SMS.

## 3. DETERMINATION AND CERTIFICATION OF QUORUM

The Secretary reported the attendance based on the Attendance Sheet as well as the proxies received before the meeting. The attendance is set forth in Annex "A" of the minutes.

## 4. ELECTION OF DIRECTORS FOR THE TERM 2021 to 2022

The Chairman stated that based on the records of the Corporation, the following Corporations failed to elect a new set of directors during the Joint Annual Stockholders Meeting last 14 July 2021:

- a. Sun Life of Canada Prosperity Balanced Fund, Inc.
- b. Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
- c. Sun Life Prosperity Dollar Advantage Fund, Inc.
- d. Sun Life Prosperity Dollar Abundance Fund, Inc.
- e. Sun Life Prosperity Dynamic Fund, Inc.
- f. Sun Life Prosperity GS Fund, Inc.
- g. Sun Life Prosperity World Voyager Fund, Inc.
- h. Sun Life Prosperity Philippine Stock Index Fund, Inc.
- i. Sun Life Prosperity Dollar Wellspring Fund, Inc.

As such, their respective Boards of Directors continue to serve in a holdover capacity.

The Corporate Secretary informed the Chairman that the voting procedure and resumes of the nominees for directors have been stated in the SEC Form 20-IS and circulated to the stockholders prior to the annual meeting. The Assistant Corporate Secretary explained that eligible stockholders may cast their votes through the poll function of Zoom. She added that the preliminary results of votes on proxies submitted and validated as of 09 September 2021, including the votes cast last July, shall be provided during the meeting, with the final results being reflected in the minutes of the meeting.

After the casting of the votes by those present, the above-listed Funds still failed to secure the required number of votes to elect its Boards of Directors for the term 2021-2022. Thus, the present Board of Directors for the said Funds would continue to serve as such until their successors are elected and duly qualified in the next annual stockholders' meeting.

5. **OTHER MATTERS**

**Amendments of the Articles of Incorporation**

Due to the failure to meet the requirement that 2/3 of the outstanding capital stock should be present in person or by proxy, the agenda to amend Article VI of the Funds<sup>1</sup> Articles of Incorporation to increase the number of directors to six (6), remain unapproved.

Likewise, due to the failure to meet the requirement that 2/3 of the outstanding capital stock should be present in person or by proxy, the agenda to amend Article III of the Funds<sup>2</sup> Articles of Incorporation to amend the date and time of the annual stockholders meeting, remain unapproved.

**Amendments of the By-Laws**

Due to the failure to meet the requirement that majority of the outstanding capital stock should be present in person or by proxy, the agenda to amend Section 1, Article 1 and Articles I, II, III, IV, and VI of the By-Laws of Sun Life of Canada Prosperity Balanced Fund, Inc.'s on the date and time of Annual Stockholders Meeting and the delegation of power to amend to the Board of Directors, remain unapproved.

6. **ADJOURNMENT**

The Corporate Secretary advised the stockholders present that they may send their questions, comments, clarifications, and suggestions to [SunLifeFunds@sunlife.com](mailto:SunLifeFunds@sunlife.com).

There being no other matter for discussion, upon motion duly made and seconded, the continuation of the Joint Annual Stockholders' Meeting of the Sun Life Prosperity Funds was adjourned at 10:27 a.m.

**FRANCES IANNA S. CANTO**  
Assistant Corporate Secretary

ATTESTED TO BY:

**BENEDICTO C. SISON**  
*Chairman*  
Sun Life Prosperity Funds

**MA. JOSEFINA A. CASTILLO**  
*President*  
Sun Life Prosperity Funds

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<sup>1</sup> *Balanced Fund, Philippine Equity Fund, Dollar Advantage Fund, Dollar Abundance Fund, Dynamic Fund, GS Fund, Stock Index Fund, World Voyager Fund.*

<sup>2</sup> *Balanced Fund, Dollar Abundance Fund, and Philippine Equity Fund.*



## Annex "A"

Continuation of the 2021 Joint Annual Stockholders' Meetings  
Stockholders Present and Represented, Per Fund

Sun Life Prosperity Fund	Total Shares Subscribed (Outstanding Capital Stock as of 30 April 2021)	Stockholder Attendance (in shares)*	Attendance (in percentage) for Quorum Requirement*
Balanced Fund	2,337,601,095	585,324,715	25.04%
Equity Fund	2,212,999,881	323,578,166	14.62%
Dollar Advantage Fund	8,251,450	2,318,830	28.10%
Dollar Abundance Fund	3,793,870	553,739	14.60%
Dynamic Fund	1,478,984,971	523,954,689	35.43%
GS Fund	147,011,650	33,247,579	22.62%
Index Fund	3,175,882,822	1,357,492,737	42.74%
Dollar Wellspring Fund	5,838,470	2,541,927	43.54%
World Voyager Fund	5,999,263	1,366,617	22.78%

\*This includes the proxies received for, and the actual attendance during, the 14 July 2021 Joint Annual Stockholders Meeting.

# SUN LIFE PROSPERITY FUNDS PROXY FORM



I/we, \_\_\_\_\_, hereby nominate, constitute and appoint Ms. VALERIE N. PAMA, President, with right of substitution and revocation, to represent and vote all shares registered in my/our name or owned by me/us and/or such shares as I am/we are authorized to represent and vote in my/our capacity as administrator, executor or attorney-in-fact for any and all matters presented during the Annual Stockholders' Meeting on 13 July 2022, and all adjournments and postponements thereof, in the following funds (please tick all applicable):

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

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

Sun Life of Canada Prosperity  
**Philippine Equity Fund, Inc.**

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

Sun Life Prosperity  
**Dollar Advantage Fund, Inc.**

Sun Life Prosperity  
**Dollar Starter Fund, Inc.**

Sun Life Prosperity  
**Dynamic Fund, Inc.**

Sun Life Prosperity  
**Philippine Stock Index Fund, Inc.**

Sun Life Prosperity  
**World Voyager Fund, Inc.**

Sun Life Prosperity  
**Dollar Wellspring Fund, Inc.**

Sun Life Prosperity  
**Dollar Abundance Fund, Inc.**

Sun Life Prosperity  
**GS Fund, Inc.**

This Proxy revokes all proxies which I/we may have previously executed concerning the above matters. This proxy shall be effective until withdrawn by me/us through notice in writing, or superseded by subsequent proxy, delivered to the Corporate Secretary at least ten (10) days before the Annual Stockholders' Meeting or any adjournments and postponements thereof, but shall cease to apply in instances where I/we personally attend the meeting.

EXECUTED ON \_\_\_\_\_ AT \_\_\_\_\_  
(DATE) (PLACE)

\_\_\_\_\_  
Printed Name and Signature

# BALLOT

## (VOTING IN ABSENTIA FORM)

I/we, \_\_\_\_\_ hereby vote all shares registered in my/our name or owned by me/us and/or such shares on all matters presented during the Annual Stockholders' Meeting on 13 July 2022, and all adjournments and postponements thereof, in the following funds (please tick all applicable):

- |   |  |
|---|--|
| <input type="checkbox"/> Sun Life of Canada Prosperity Balanced Fund, Inc.          | <input type="checkbox"/> Sun Life Prosperity Dynamic Fund, Inc.                |
| <input type="checkbox"/> Sun Life of Canada Prosperity Bond Fund, Inc.              | <input type="checkbox"/> Sun Life Prosperity Philippine Stock Index Fund, Inc. |
| <input type="checkbox"/> Sun Life of Canada Prosperity Philippine Equity Fund, Inc. | <input type="checkbox"/> Sun Life Prosperity World Voyager Fund, Inc.          |
| <input type="checkbox"/> Sun Life Prosperity Peso Starter Fund, Inc.                | <input type="checkbox"/> Sun Life Prosperity Dollar Wellspring Fund, Inc.      |
| <input type="checkbox"/> Sun Life Prosperity Dollar Advantage Fund, Inc.            | <input type="checkbox"/> Sun Life Prosperity Dollar Abundance Fund, Inc.       |
| <input type="checkbox"/> Sun Life Prosperity Dollar Starter Fund, Inc.              | <input type="checkbox"/> Sun Life Prosperity GS Fund, Inc.                     |

### 1. VOTE FOR NOMINEES (A vote "FOR" the election of the nominees is recommended.)

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <b>For</b>               | <b>Against</b>           |  |
| <input type="checkbox"/> | <input type="checkbox"/> | Authority to vote for all nominees (Please refer to Annex "A") |

### 2. OTHERS (A vote "FOR" the following items is recommended.)

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <b>For</b>               | <b>Against</b>           |   |
| <input type="checkbox"/> | <input type="checkbox"/> | Approval of the Minutes of 2021 Joint Annual Stockholders' Meetings (held on 14 July and 10 September 2021) |
| <input type="checkbox"/> | <input type="checkbox"/> | Confirmation and Ratification of All Acts and Proceedings of the Board and Corporate Officers               |
| <input type="checkbox"/> | <input type="checkbox"/> | Re-appointment of Navarro Amper & Co./Deloitte Touche Tohmatsu as External Auditor for 2022                 |

*Additional Items (for Balanced Fund, Dollar Abundance Fund, Dollar Advantage Fund, Philippine Equity Fund, GS Fund, Dynamic Fund, Stock Index Fund, World Voyager Fund only)*

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <b>For</b>               | <b>Against</b>           |   |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6) |

*Additional Items (For Balanced Fund, Dollar Abundance Fund, and Philippine Equity Fund only)*

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <b>For</b>               | <b>Against</b>           |   |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article III of the Articles of Incorporation to indicate principal office address as Sun Life Centre, Bonifacio Global City, Taguig City |

*Additional Items (For Balanced Fund only)*

- |                          |                          |  |
|--------------------------|--------------------------|--|
| <b>For</b>               | <b>Against</b>           |  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Section 1, Article I of the By-laws (Date and Time of Annual Stockholders Meeting)          |
| <input type="checkbox"/> | <input type="checkbox"/> | Delegation of the Power to amend Articles I, II, III, IV and VI of the By-Laws to the Board of Directors |

*Additional Items (For Dollar Starter Fund, Peso Starter Fund, World Voyager Fund, and Stock Index Fund only)*

For      Against

- |                          |                          |   |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article II (Primary Purpose) and Article II, paragraph 1 (ii), and paragraph 6 (Secondary Purpose) of the Articles of Incorporation to align with the Investment Company Act and its Implementing Rules and Regulations  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article II, paragraph 9 (Secondary Purpose) of the Articles of Incorporation from the "Corporation Law" to "Revised Corporation Code"  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VII of the Articles of Incorporation to align the conditions for the redemption of shares by a shareholder with the Investment Company Act, its Implementing Rules and Regulations, and other applicable issuances of the Securities and Exchange Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VIII of the Articles of Incorporation to add a description of the features of the Company's shares   |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article I, Sections 1 (Annual Meetings) and 2 (Special Meetings) of the By-Laws to allow for the holding of the stockholders meeting via remote communication; Section 2 (Special Meetings) to align with the Section 49 of the Revised Corporation Code             |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article I, Section 6 (Voting) of the By-Laws to provide for the use of remote communication or in absentia in the conduct of regular and special stockholders' meetings and on the manner of voting in accordance with the Revised Corporation Code                  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article II, Section 1 (Board of Directors) of the By-Laws to include the requirement that at least twenty percent (20%) of the Board of Directors must be composed of independent directors  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article IV, Section 1 (Committees) of the By-Laws to ensure compliance with applicable rules on the composition of committees, changing or discharging of its members, and filling in vacancies  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article IV, Section 2 (Advisory Board) of the By-Laws on the deletion of the Advisory Board  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VI, Section 1 (b) (Management Contracts) of the By-Laws to align with the Investment Company Act and its Implementing Rules and Regulations  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VI, Section 2 (Distribution Contracts) of the By-Laws to align with the Investment Company Act and its Implementing Rules and Regulations  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VII, Section 3 (Lost or Destroyed Certificates) of the By-Laws to refer to the applicable section of the Revised Corporation Code  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VII, Section 6 (Closing of Transfer Books) of the By-Laws to align with the period specified in the Revised Corporation Code   |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VIII, Section 1 (Investment Policy) of the By-Laws to clarify that the Prospectus is as filed with and approved by the Securities and Exchange Commission  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article VIII, Sections 2 (a) (b) and (c) (Restrictions) of the By-Laws to align with the Investment Company Act and its Implementing Rules and Regulations   |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article IX, Section 1 (Net Asset Value) of the By-Laws to clarify that the Prospectus is as filed with and approved by the Securities and Exchange Commission  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article X, Section 1 (Procedure for Redemption) of the By-Laws to align with the grounds for suspension under the Investment Company Act and its Implementing Rules and Regulations  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article X, Section 2 (Payment on Redemption) of the By-Laws to align with the Investment Company Act and its Implementing Rules and Regulations  |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article XI, Section 1 (Custodian) of the By-Laws to align the definition of a Custodian with the definition and qualifications provided by the Investment Company Act and other applicable issuance of the Securities and Exchange Commission                        |
| <input type="checkbox"/> | <input type="checkbox"/> | Amendment of Article XI, Section 2 (Auxiliary Custodian) of the By-Laws to align it with the Investment Company Act and its Implementing Rules and Regulations on outsourcing or delegation of functions of the Custodian   |

- Amendment of Article XI, Section 3 (Auditors) to align it with the Investment Company Act and its Implementing Rules and Regulations and the Securities Regulation Code on the qualifications and appointment of an auditor
- Amendment of Article XIV, Section 1 (Amendments) of the By-Laws to align with the applicable provision of the Revised Corporation Code

***Additional Item (For Dollar Starter Fund, World Voyager Fund and Stock Index Fund only)***

**For      Against**

- Amendment of Article II, Section 2 (Meetings) of the By-Laws to align the period for the notice of meeting of the directors with the Revised Corporation Code
- Amendment of Article II, Section 4 (Compensation) of the By-Laws to expressly state that directors are prohibited from participating in the determination of their own per diems or compensation
- Amendment of Article II, Section 5 (Vacancy) of the By-Laws to align with the Revised Corporation Code on the vacancies in the Board of Directors

***Additional Item (For Peso Starter Fund only)***

**For      Against**

- Amendment of Article II, Section 2 (Nomination and Review Committee) of the By-Laws to include the requirement that the Committee must have at least one (1) member who is an independent director in compliance with the Securities Regulation Code and its Implementing Rules and Regulation
- Amendment of Article II, Section 6 (Compensation) of the By-Laws to expressly state that directors are prohibited from participating in the determination of their per diems or compensation
- Amendment of Article I, Section 3 (Notices) of the By-Laws to align the notice period for stockholders' meetings with the issuances of the Securities and Exchange Commission and to allow for the sending of the notices electronically
- Amendment of Article II, Section 7 (Vacancy) of the By-Laws to align with the Revised Corporation Code on the vacancies in the Board of Directors

***Additional Items (For World Voyager Fund and Stock Index Fund only)***

**For      Against**

- Amendment of Article III, Sections 1 and 6 of the By-Laws in relation to the election of a Compliance Officer as one of the corporate officers

***Additional Items (For Stock Index Fund only)***

**For      Against**

- Amendment of Article I, Section 3 (Notice of Meeting) of the By-Laws to allow for sending of notices electronically

This Form revokes all documents which I/we may have previously executed concerning the above matters. This Form shall be effective until withdrawn by me/us through notice in writing, or superseded by the execution of a subsequent Form, delivered to the Corporate Secretary at least ten (10) days before the Annual Stockholders' Meeting or any adjournments and postponements thereof, but shall cease to apply in instances where I/we personally attend the meeting.

EXECUTED ON \_\_\_\_\_ AT \_\_\_\_\_.

\_\_\_\_\_  
Printed Name and Signature

## ANNEX A:

### NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS FOR 2022

Please tick the box to signify your vote for the nominee. If you have ticked "FOR" under Item 1 of the Ballot (Voting in Absentia Form), we will consider this as a vote FOR all the nominees below.

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

- Benedicto C. Sison
- Valerie N. Pama
- Cielito F. Habito
- Teresita J. Herbosa
- Oscar S. Reyes

#### SUN LIFE PROSPERITY DYNAMIC FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Cesar Luis F. Bate
- Cielito F. Habito
- Teresita J. Herbosa

#### SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Cesar Luis F. Bate
- Cielito F. Habito
- Teresita J. Herbosa

#### SUN LIFE PROSPERITY PHILIPPINE STOCK INDEX FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Aleli Angela G. Quirino
- Cesar Luis F. Bate
- Cielito F. Habito

#### SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Cesar Luis F. Bate
- Oscar S. Reyes
- Aleli Angela G. Quirino

#### SUN LIFE PROSPERITY WORLD VOYAGER FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Aleli Angela G. Quirino
- Cesar Luis F. Bate
- Cielito F. Habito

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

- Benedicto C. Sison
- Valerie N. Pama
- Gerald L. Bautista
- Cesar Luis F. Bate
- Cielito F. Habito
- Teresita J. Herbosa

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

- Benedicto C. Sison
- Valerie N. Pama
- Aleli Angela G. Quirino
- Cesar Luis F. Bate
- Oscar S. Reyes

#### SUN LIFE PROSPERITY GS FUND, INC.

- Benedicto C. Sison
- Maria Josefina A. Castillo
- Aleli Angela G. Quirino
- Teresita J. Herbosa
- Cielito F. Habito

#### SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Cielito F. Habito
- Cesar Luis F. Bate
- Oscar S. Reyes

#### SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Aleli Angela G. Quirino
- Teresita J. Herbosa
- Oscar S. Reyes

#### SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Cesar Luis F. Bate
- Cielito F. Habito
- Teresita J. Herbosa

REPUBLIC OF THE PHILIPPINES )  
PASAY CITY ) S. S.

### CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CIELITO F. HABITO**, Filipino, of legal age and a resident of 10071 Mt. Pulog St., Los Baños, Laguna, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the following covered companies:
  - Sun Life of Canada Prosperity Bond Fund, Inc.
  - Sun Life of Canada Prosperity Balanced Fund, Inc.
  - Sun Life Prosperity Dynamic Fund, Inc.
  - Sun Life Prosperity Philippine Stock Index Fund, Inc.
  - Sun Life Prosperity World Voyager Fund, Inc.
  - Sun Life Prosperity Dollar Abundance Fund, Inc.
  - Sun Life Prosperity Dollar Advantage Fund, Inc.
  - Sun Life Prosperity GS Fund, Inc.
  - Sun Life Prosperity Peso Starter Fund, Inc.
  - Sun Life Prosperity Peso Voyager Feeder Fund, Inc.
  - Sun Life Prosperity Achiever Fund 2048, Inc.
  
2. I am affiliated with the following companies or organizations (including Government Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Ateneo de Manila University, Department of Economics	Professor	2001 – Present
Ateneo Center for Economic Research and Development	Director	2001 – 2012; 2022 – Present
Management Association of the Philippines	Board of Governors	2022 – Present
Ramon Magsaysay Award Foundation	Member, Board of Trustees	2018 – Present
First Gen Corporation	Lead Independent Director	2016 – Present
Asian Institute of Management – Team Energy Center for Bridging Leadership	Chairman, Board of Advisers	2013 – Present
Japan International Cooperation Agency – Philippines	Member, Advisory Committee	2013 – Present
World Bank Philippines Office	Member, Civil Society Advisory Group	2008 – Present
Operation Compassion Philippines, Inc.	Chairman, Board of Trustees	2006 – Present
Brain Trust Inc.	Chairman	2004 – Present
Ramos Peace and Development Foundation, Inc. (RPDEV)	Foundling Member, Board of Trustees	1998 – Present



3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Peso Voyager Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc. (collectively, "Covered Companies"), as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Covered Companies and their subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. [NOT APPLICABLE] (For those in government service/affiliated with government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in in \_\_\_\_\_, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of Covered Companies of any changes in the abovementioned information within five days from its occurrence.

Done on the date and place indicated below.

**CIELITO F. HABITO**

Affiant

12 MAY 2022

PASAY CITY

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his Passport with no. P1977324B valid until 16 June 2029 issued in DFA San Pablo.

Doc. No. 5 ;  
 Page No. 21 ;  
 Book No. 14 ;  
 Series of 2022.

ATTY. JULES R. MILAN  
 Notary Public

Appointment No. M-66 / Until 12-31-2022  
 Roll No. 45790 / IBP Lifetime No. 04897 / 7-3-03  
 PTR O.R. No. 8531012 / 1-4-22 / Pasay City  
 MCLE No. VI-0016565 / 01-14-19

REPUBLIC OF THE PHILIPPINES )  
 ) S. S.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **CESAR LUIS F. BATE**, Filipino, of legal age and a resident of 7 Beaterio St. Urdaneta Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the following covered companies:
  - o Sun Life of Canada Prosperity Bond Fund, Inc.
  - o Sun Life Prosperity Dynamic Fund, Inc.
  - o Sun Life Prosperity Dollar Advantage Fund, Inc.
  - o Sun Life Prosperity Dollar Abundance Fund, Inc.
  - o Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
  - o Sun Life Prosperity Philippine Stock Index Fund, Inc.
  - o Sun Life Prosperity Dollar Wellspring Fund, Inc.
  - o Sun Life Prosperity World Voyager Fund, Inc.
  - o Sun Life Prosperity World Equity Index Feeder Fund, Inc.
  - o Sun Life Prosperity Peso Starter Fund, Inc.
  
2. I am affiliated with the following companies or organizations:

Company/Organization	Position	Period of Service
LMN Advisors/Partners, Inc.	Managing Director	October 2006
RM Commercial REIT, Inc.	Independent Director	2021 to present
Acacia Lane, Inc.	Director	1980 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (collectively, "Covered Companies") as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
  
4. I am not related to any director/officer/substantial shareholder of Covered Companies and their subsidiaries and affiliates.
  
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
  
6. Not Applicable - (For those in government service/affiliated with government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in in \_\_\_\_\_, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
  
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.



8. I shall inform the Corporate Secretary of the Covered Companies of any changes in the abovementioned information within five days from its occurrence.

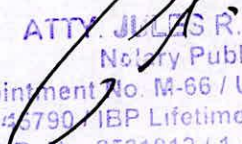
Done on the date and place written below.

  
CESAR LUIS F. BATE  
Affiant

11 MAY 2022

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of \_\_\_\_\_ at PASAY CITY,  
affiant personally appeared before me and exhibited to me his Driver's License with no. N01-89-098279 with expiry date on 24 March 2024

Doc. No. 130  
Page No. 38;  
Book No. 1;  
Series of 2022.

  
ATTY. JULES R. MILAN  
Notary Public  
Appointment No. M-66 / Until 12-31-2022  
Roll No. 46790 / IBP Lifetime No. 04297 / 7-3-03  
PTR O.R. No. 8531012 / 1-4-22 / Pasay City  
MCLF No. VI-0016565 / 01-14-10

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **OSCAR S. REYES**, Filipino, of legal age and a resident of Unit 6, Kasiyahan Homes, 58 McKinley Road, Forbes Park, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of the following covered companies:

- o Sun Life Prosperity Dollar Abundance Fund, Inc.
- o Sun Life Prosperity Dollar Wellspring Fund, Inc.
- o Sun Life Prosperity Dollar Starter Fund, Inc.
- o Sun Life of Canada Prosperity Balanced Fund, Inc.
- o Sun Life of Canada Prosperity Philippine Equity Fund, Inc.
- o Sun Life Prosperity World Equity Index Feeder Fund, Inc.
- o Sun Life Prosperity Peso Voyager Feeder Fund, Inc.
- o Sun Life Prosperity Achiever Fund 2028, Inc.
- o Sun Life Prosperity Achiever Fund 2038, Inc.
- o Sun Life Prosperity Achiever Fund 2048, Inc.

2. I am affiliated with the following companies or organizations :

<b>Company/Organization</b>	<b>Position</b>	<b>Period of Service</b>
Sun Life Financial Plans Inc.	Independent Director	2006-present
Bank of the Philippine Islands	Independent Director Member, Advisory Council	2003-2016 2016-present
PLDT Inc.	Director Member, Advisory Board	2001-2010 2010-present
Basic Energy Corporation	Independent Director Member, Advisory Board	2007-2019 2019-present
Cosco Capital Inc.	Independent Director	2009-present
D.M. Wenceslao & Associates, Inc.	Independent Director	2019-present
Pioneer Life Inc.	Member, Advisory Board	2019-present
Pioneer Insurance & Surety Corporation	Independent Director	2019-present
Pioneer Intercontinental Insurance	Member, Advisory Board Independent Director	2019-2020 2020-present
Pepsi Cola Products Philippines, Inc.	Chairman	2007-present
PXP Energy Inc.	Director	2017-present
PLDT Communications and Energy Ventures Inc.	Director	2013-present
Grepalife Fixed Income Fund Corporation	Independent Director	2011-present
Grepalife Dollar Bond Fund Corporation	Independent Director	2011-present
Grepalife Bond Fund Corporation	Independent Director	2011-present
Phil Dealing System Holdings Corp.	Independent Director	2019-present
Phil. Dealing Exchange Corporation	Independent Director	2019-present
Phil. Depository & Trust Corporation	Independent Director	2019-present
Phil. Securities Settlement Corporation	Independent Director	2019-present
Team Energy Corporation	Independent Director	2019-present



3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Peso Voyager Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., and Sun Life Prosperity Achiever Fund 2048, Inc. (collectively, "Covered Companies") as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of Covered Companies and their subsidiaries and affiliates.
5. Except for a Complaint lodged by Johnson Sanhi representing Repower Development Energy Corporation which I and my counsels believe to be highly baseless and false Complaint, and which has been dismissed by the Makati City Prosecutor but was moved by the Complainant for review by the Department of Justice, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of the Covered Companies of any changes in the abovementioned information within five days from its occurrence.


Done on the date and place written below.

  
**OSCAR S. REYES**  
 Affiant

**JUN 08 2022**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_ at **CITY OF MAKATI**, affiant personally appeared before me and exhibited to me his Passport No. P5302920A issued in DFA NCR East valid until 10 December 2022.

Doc. No. 451  
 Page No. 99  
 Book No. XVI  
 Series of 2022.

  
**ATTY. GERVACIO B. ORTIZ JR.**  
 Notary Public City of Makati  
 Until December 31, 2022  
 IBP No. 05729-Lifetime Member  
 MCLE Compliance No. VI-0024312  
 Appointment No. M-82-(2021-2022)  
 PTR No. 8852511 Jan. 3, 2022  
 Makati City Roll No. 40091  
 101 Urban Ave. Campos Rueda Bldg.  
 Brgy. Pio Del Pilar, Makati City




**Sun Life**  
Asset Management

### Certification

I, Sherwin S. Sampang, the Treasurer of Sun Life Prosperity Dollar Abundance Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS200417434 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 Dollar Abundance 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 company Sun Life Prosperity Dollar Abundance Fund, Inc. 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 18<sup>th</sup> day of May, 2022.

  
Sherwin S. Sampang  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 18 2022, 2022, in MAKATI CITY City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Sherwin S. Sampang	Passport ID No. P9427178A	06 Nov 2018	DFA NCR East

Doc. No. MS  
Page No. 79  
Book No. 79  
Series of 2022.

  
**ATTY. GERVACIO B. ORTIZ JR.**  
Notary Public City of Makati  
Until December 31, 2022  
IBP No. 65729-Lifetime Member  
MCLE Compliance No. VI-0024312  
Appointment No. M-82-(2021-2022)  
PTR No. 8852511 Jan. 3, 2022  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

# COVER SHEET

**CS200417434**  
S.E.C. Registration Number

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

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

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

**Merobhe T. Esmele**  
Contact Person

**8555-8888**  
Company Telephone Number

1	2	3	1
<i>Month</i>		<i>Day</i>	

Fiscal Year

**SEC FORM 17-Q**

FORM TYPE

<i>Month</i>		<i>Day</i>	

Annual Meeting

Mutual Fund Company

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

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: CS200417434

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

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

(Company's Full Name)

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

-----  
(Company's Address)

8555-88-88

-----  
(Telephone No.)

December 31

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

SEC FORM 17-Q

-----  
Form Type

-----  
Amendment Designation (If applicable)

March 31, 2022

-----  
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: March 31, 2022
2. Commission identification number: CS200417434
3. BIR Tax Identification No: 234-718-559-000
4. Exact name of issuer as specified in its charter

Sun Life Prosperity Dollar Abundance 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

6<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 March 31, 2022)
<u>Common Shares (Unclassified)</u>	<u>3,201,161 shares</u>

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ ] No [x]

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

\_\_\_\_\_

12. Indicate by check mark whether the registrant:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

**PART A - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS AT MARCH 31, 2022 AND DECEMBER 31, 2021**

(In US Dollars)

		(Unaudited)	(Audited)
	Notes	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash in banks	4	\$ 1,524,702	\$ 677,319
Financial assets at fair value through profit or loss	5	7,483,162	9,828,407
Accrued interest receivable	6	50,996	81,035
Due from brokers	8	519,136	-
Other current assets	7	1,307	5
		<b>\$9,579,303</b>	<b>\$10,586,766</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	9	\$ 60,694	\$ 66,034
Due to brokers	8	19	-
Payable to fund manager	10	13,681	15,078
Income tax payable		43	-
Total Current Liabilities		<b>74,437</b>	<b>81,112</b>
<b>Equity</b>			
Share capital	11	135,309	135,309
Additional paid-in capital	12	18,111,383	18,111,604
Retained earnings		2,331,111	3,078,408
		<b>20,577,803</b>	<b>21,325,321</b>
Treasury shares	11	<b>(11,072,937)</b>	<b>(10,819,667)</b>
Total Equity		<b>9,504,866</b>	<b>10,505,654</b>
		<b>\$9,579,303</b>	<b>\$10,586,766</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 2.9692</b>	<b>\$ 3.1950</b>
<b>Total Equity</b>		<b>9,504,866</b>	<b>10,505,654</b>
Capital Stock - Php1.00 per share			
Authorized - 10,000,000 shares			
Total number of shares outstanding		<b>3,201,161</b>	<b>3,288,119</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 2.9692</b>	<b>\$ 3.1950</b>

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021**

(In US Dollars)

		(Unaudited)	(Unaudited)
	Notes	2022	2021
<b>Investment Income - net</b>			
Net realized gain (loss) on investments	5	( <b>\$230,040</b> )	(\$86,795)
Interest income	14	<b>57,728</b>	41,949
Others		<b>19</b>	-
		<b>(172,293)</b>	(44,846)
<b>Operating Expenses</b>			
Management fees	10	<b>24,226</b>	30,893
Distribution fees	10	<b>20,128</b>	25,733
Directors fees	10	<b>1,649</b>	1,317
Custodian fees		<b>1,131</b>	1,114
Professional fees		<b>982</b>	938
Taxes and licenses		<b>374</b>	438
Printing and supplies		<b>15</b>	19
Miscellaneous		<b>404</b>	423
		<b>48,909</b>	60,875
<b>Profit Before Net Unrealized Losses on Investments</b>			
		<b>(221,202)</b>	(105,721)
<b>Net Unrealized Losses on Investments</b>	5	<b>(526,046)</b>	(375,484)
<b>Profit (Loss) Before Tax</b>			
		<b>(747,248)</b>	(481,205)
<b>Income Tax Expense</b>		<b>49</b>	57
<b>Total Comprehensive Income (Loss) for the Period</b>			
		<b>(\$747,297)</b>	(\$ 481,262)
<b>Basic earnings (loss) per share</b>	15	<b>(\$0.230)</b>	(\$0.124)

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021**  
(In US Dollars)

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Shares	Total
Balance, January 1, 2022	10, 11	\$135,309	\$18,111,604	\$3,078,408	(\$10,819,667)	\$10,505,654
Total Comprehensive Loss for the Period		-	-	(747,297)	-	(747,297)
Transactions with owners:	10					
Acquisition of treasury shares during the period		-	-	-	(613,168)	(613,168)
Reissuance of treasury shares during the period		-	(221)	-	359,898	359,677
Total transactions with owners		-	(221)	-	(253,270)	(253,491)
<b>Balance, March 31, 2022</b>	10, 11	<b>\$ 135,309</b>	<b>\$ 18,111,383</b>	<b>\$ 2,331,111</b>	<b>\$ (11,072,937)</b>	<b>\$ 9,504,866</b>

	Share Capital	Additional Paid-in Capital	Retained Earnings (Deficit)	Treasury Shares	Total
Balance, January 1, 2021	\$135,309	\$18,105,583	\$3,128,934	(\$8,507,887)	\$ 12,861,939
Total Comprehensive Income for the Period			(481,262)		(481,262)
Transactions with owners:					
Acquisition of treasury shares during the period	-	-	-	(787,289)	(787,289)
Reissuance of treasury shares during the period	-	117	-	122,587	122,704
Total transactions with owners	-	117	-	(664,702)	(664,585)
Balance, March 31, 2021	\$ 135,309	\$ 18,105,700	\$ 2,647,672	\$ (9,172,589)	\$ 11,716,092

*See Notes to Financial Statements.*

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021**  
(In US Dollars)

	Notes	2021	2020
<b>Cash Flows from Operating Activities</b>			
Profit (Loss) before tax		(\$ 747,248)	(\$481,205)
Adjustments for:			
Net unrealized loss on investments	5	526,046	375,484
Net realized gain on investments	5	230,040	86,795
Interest income	14	(57,728)	(41,949)
Operating cash flows before working capital changes		(48,890)	(60,875)
Decrease (Increase) in:			
Other current assets		(1,302)	(777)
Increase (Decrease) in:			
Accrued expenses and other payables		(5,340)	26,865
Payable to fund manager		(1,397)	(1,393)
Cash generated from operations		(56,929)	(36,180)
Acquisition of financial assets at fair value			
through profit or loss		(7,173,836)	(9,014,689)
Proceeds from disposal of financial assets at fair value			
through profit or loss		8,243,878	10,416,351
Interest received		87,767	25,684
Income taxes paid		(6)	(3)
Net cash generated from (used in) operating activities		1,100,874	1,391,163
<b>Cash Flows from Financing Activities</b>			
Payments on acquisition of treasury shares	10	(613,168)	(787,289)
Proceeds from reissuance of treasury shares	10	359,677	122,704
Net cash generated from (used in) financing activities		(253,491)	(664,585)
<b>Net Increase in Cash in Banks</b>		<b>847,383</b>	<b>726,578</b>
<b>Cash in Banks, Beginning</b>		<b>677,319</b>	<b>118,992</b>
<b>Cash in Banks, End</b>		<b>\$ 1,524,702</b>	<b>\$ 845,570</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 three-month period ended March 31, 2022 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, 2021, 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, 2021.

#### Functional Currency

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

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

#### Adoption of New and Revised Accounting Standards Effective in 2021

The Company adopted all accounting standards and interpretations effective as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines were assessed to be applicable to the Company's financial statements and are as follows:

PIC Q&A No. 2020-07, *PAS 12, Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill*

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements ending December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the financial statements

For the financial statements ending December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes";
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed;
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return;
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates; and
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The management assessed that CREATE bill had reduced income tax expense by \$3 and increase net income and net assets by the same amount. The increase was recorded in 2021 following the provisions of PIC Q&A 2020-07.

#### **New Accounting Standards Effective after the Reporting Period Ended December 31, 2021**

The Company will adopt the following standards when these become effective:

##### *PFRS 17, Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4, *Insurance Contracts*.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2025. Earlier application is permitted.

The future adoption of the standard will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

#### *Amendments to PFRS 3, References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process of and has no plan to enter into business combination.

#### *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process and has no plan to acquire such investments.

#### *Amendments to PAS 1, Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.



The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### *Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, *Inventories*.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly’. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendment will have no effect on the Company’s financial statements as the Company does not have property, plant and equipment recorded in its financial statements.

#### *Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company’s financial statements as the Company does not issue and enter into onerous contracts.

## *Annual Improvements to PFRS Standards 2018-2020 Cycle*

### *Amendments to PFRS 1, Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16 (a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

### *Amendments to PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

### *Amendments to PFRS 16 – Lease incentives*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

### *Amendments to PAS 41, Taxation in fair value measurements*

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13, *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have subsidiary as first-time adopter; has no financial liabilities to be derecognized, does not have lease contracts and leasehold improvements and does not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

### *Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies*

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;

- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### *Amendments to PAS 8, Definition of Accounting Estimates*

With the amendment, accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the clarification in the amendment did not change the Company's definition of an accounting estimate.

#### *Amendments to PAS 12, Income Taxes, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying PFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease contracts and leasehold improvements and does not recognize deferred assets and liabilities.

#### *Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9, Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9 – Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The future adoption of the amendment will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### Financial assets

##### Initial recognition and measurement

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

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

##### Classification and Subsequent Measurement

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

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

As at March 31, 2022 and December 31, 2021, the Company does not have financial assets classified as FVTOCI.

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 period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

#### *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.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

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

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

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

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

#### *Significant increase in credit risk*

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

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

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

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

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

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

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

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

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

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

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



### *Default*

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

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

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

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

### *Credit-impaired financial assets*

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

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

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

### *Write-off*

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

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

### *Measurement and recognition of ECL*

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

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

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

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

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

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

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

### *Derecognition*

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

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

## **Financial Liabilities and Equity Instruments**

### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 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 are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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.

#### *Financial liabilities measured subsequently at amortized cost*

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

#### *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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

#### *Share capital*

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

#### *Retained earnings*

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

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

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

#### *Deposit for future stock subscriptions (DFFS)*

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

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

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

### **Revenue Recognition**

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

#### Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

#### Realized gains or losses

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

#### Fair value gains or losses

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

#### Other income

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

### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or, (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

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 administrative and other business expenses of the Company including management fees and custodianship fees.

### **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. 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**

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

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 and 30% RCIT rate or 2% MCIT rate, whichever is higher, in 2021 and 2020, respectively.

#### Final tax

Final tax expense represents final taxes withheld on interest income from cash in banks, special savings deposits 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.

**Foreign Currency**

Foreign currency transactions

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

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

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

**Earnings (Loss) per Share**

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

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

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

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

**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**

	March 2022	December 2021
Cash in banks	\$ 1,524,702	\$ 677,319

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

	March 2022	December 2021
Investments in fixed-income securities	\$ 7,390,269	\$ 8,656,691
Investments in global mutual funds	92,893	1,171,716
	<b>\$ 7,483,162</b>	<b>\$ 9,828,407</b>

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

	March 2022	December 2021
Net realized gains (losses) on investments		
Equity securities	(\$ 49,688)	\$ 282,039
Fixed-income securities	(180,352)	(179,472)
	<b>(230,040)</b>	<b>102,567</b>
Net unrealized losses on investments		
Equity securities	(6,948)	(84,173)
Fixed-income securities	(519,098)	(111,922)
	<b>(526,046)</b>	<b>(196,095)</b>
	<b>(\$756,086)</b>	<b>(\$ 93,528)</b>

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

	March 2022	December 2021
Balance, January 1	\$ 9,828,407	\$ 12,850,649
Additions	7,173,855	33,743,046
Disposals	(8,993,054)	(36,569,193)
Unrealized gains (losses)	(526,046)	(196,095)
Balance, March 31	<b>\$ 7,483,162</b>	<b>\$ 9,828,407</b>

6. **ACCRUED INTEREST RECEIVABLE**

	March 2022	December 2021
Fixed-income securities	\$ 50,996	\$ 81,035

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

7. **OTHER CURRENT ASSETS**

	March 2022	December 2021
Prepaid expense	\$ 1,307	\$ -
Prepaid tax	-	5
	<b>\$ 1,307</b>	<b>\$ 5</b>



## 8. DUE FROM / TO BROKERS

Due from broker account refer to amounts receive 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 \$519,136 and nil as at March 31, 2022 and December 31, 2021, 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 \$19 and nil as at March 31, 2022 and December 31, 2021, respectively.

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

## 9. ACCRUED EXPENSES AND OTHER PAYABLES

	March 2022	December 2021
Due to investors	\$58,295	\$62,237
Withholding and documentary stamp taxes	1,384	1,494
Professional fees	903	1,890
Custodianship fees	97	413
Others	15	-
	<b>\$60,694</b>	<b>\$66,034</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 four (4) days after the transaction date.

Other accrued expenses refer to accrual of printing and supplies for the period. These payables are non-interest bearing and are normally settled within the year.

## 10. RELATED PARTY TRANSACTIONS

### 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	Notes
		Q1 2022	Q1 2022			
SLAMCI - Fund Manager Management Distribution and Transfer fees	\$ 44,354	\$ 13,681	\$ 15,078	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before 15th day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel						
Directors' Fees	\$1,649	\$ -	\$ -	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed	b

## 11. EQUITY

	2022	
	Shares	Amount
Authorized:		
At P1.00 par value	10,000,000	\$10,000,000
Fully paid:		
At March 31	6,765,497	\$ 135,309
Treasury Shares:		
At January 1	3,477,378	\$10,819,667
Acquisitions	206,869	613,168
Reissuance	(119,911)	(359,898)
At March 31	3,564,336	11,072,937

### *Incorporation*

On November 3, 2004, the Company was incorporated with 2,000,000 authorized shares at par value of P1.00 per share.

### *Approved changes*

On March 11, 2011, the Board of Directors approved the increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00), which was approved by the shareholders on June 28, 2012.

On June 29, 2012, the Company submitted its application with the SEC for increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00).

On May 10, 2013 the SEC approved the increase and the registration statements on February 27, 2014.

### *Current state*

As at March 31, 2022, the Company has 3,201,161 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

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 March 31, 2022.

% Ownership of Institutional Investors	% Ownership of Retail Investors
9.34%	90.66%

Area	Percentage of Investments
LUZON	94%
VISAYAS	4%
MINDANAO	2%
TOTAL	100%

12. **ADDITIONAL PAID-IN CAPITAL**

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

	March 2022	December 2021
APIC	\$ 18,111,383	\$ 18,111,604

13. **NET ASSET VALUE PER SHARE**

NAVPS is computed as follows:

	March 2022	December 2021
Total equity	\$ 9,504,866	\$ 10,505,654
Total Outstanding Shares	3,201,161	3,288,119
NAVPS	\$ 2.9692	\$ 3.1950

**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 March 31, 2022:

	Yield	NAVPS	NAVPS Date
Year on year yield (1-year)	-4.2533%	3.1011	March 31, 2021
3 Year - Simple	1.5667%	2.9784	March 29, 2019
5Year - Simple	2.8900%	2.9401	March 31, 2017

14. INTEREST INCOME

This account consists of interest income on the following:

	March 2022	March 2021
Fixed income securities	\$ 57,719	\$41,947
Cash in banks	9	2
	<u>\$ 57,728</u>	<u>\$41,949</u>

15. EARNINGS (LOSS) PER SHARE

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

	March 2022	March 2021
Total comprehensive income (loss) for the period	(\$ 747,297)	(\$ 481,262)
Weighted average number of outstanding shares for the purpose of computing loss per share	3,246,981	3,887,185
Basic and diluted earnings (loss) per share	<u>(\$ 0.230)</u>	<u>(\$ 0.124)</u>

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	Level 1
<b>March 31, 2022</b>	
Investment in fixed-income securities	\$ 7,390,269
Investment in global mutual funds	92,893
	<u>\$ 7,483,162</u>
<b>December 31, 2021</b>	
Investment in fixed-income securities	\$8,656,691
Investment in global mutual funds	1,171,716
	<u>\$9,828,407</u>

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

The fair values of investments in mutual funds are based on published net asset value per share (NAVPS) of the mutual fund as at reporting date.

Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period.

*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:

	Carrying Amounts	Fair Values		
		Level 1	Level 2	Total
<b>March 31, 2022</b>				
<b>Financial Assets</b>				
Cash in banks	\$ 1,524,702	\$ 1,524,702	\$ -	\$ 1,524,702
Due from brokers	519,136	-	519,136	519,136
Accrued interest receivable	50,996	-	50,996	50,996
	\$ 2,094,834	\$ 1,524,702	\$ 570,132	\$ 2,094,834
<b>Financial Liabilities</b>				
Accrued expenses and other payables	\$ 59,310	\$ -	\$ 59,310	\$ 59,310
Due to brokers	19	-	19	19
Payable to fund manager	13,681	-	13,681	13,681
	\$ 73,010	\$ -	\$ 73,010	\$ 73,010
<b>December 31, 2021</b>				
<b>Financial Assets</b>				
Cash in banks	\$ 677,319	\$ 677,319	\$ -	\$ 677,319
Accrued interest receivable	81,035	-	81,035	81,035
	\$ 758,354	\$ 677,319	\$ 81,035	\$ 758,354
<b>Financial Liabilities</b>				
Accrued expenses and other payables	\$ 64,540	\$ -	\$ 64,540	\$ 64,540
Payable to fund manager	15,078	-	15,078	15,078
	\$ 79,618	\$ -	\$ 79,618	\$ 79,618

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

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

## 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:

- Increase/Decrease in Net Assets Value per Share (NAVPS.)** NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of shares issued and outstanding plus the total number of shares outstanding due to deposit for future subscriptions (DFFS) and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Fund's shareholders.
- Net Investment Income.** Represents the total earnings of the Fund from its investment securities, less operating expenses and income tax. This gauges how efficiently the Fund has utilized its resources in a given time period.
- Assets Under Management (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)
- 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 1st Quarter Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity – March 31, 2022 vs. Dec. 31, 2021

	31-Mar-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash in banks	\$ 1,524,702	\$ 677,319	\$ 847,383	125.11%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	7,483,162	9,828,407	(2,345,245)	-23.86%	The decrease was due to net disposals of investments and unrealized losses brought by lower fair market values during the year.
Accrued interest receivable	50,996	81,035	(30,039)	-37.07%	Collection of interest depends on the scheduled interest payments of each asset.
Due from brokers	519,136	-	519,136	100.00%	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.
Other current assets	1,307	5	1,302	26040.00%	This pertains to prepaid expenses to be amortized until end of the accounting period.
<b>Total Assets</b>	<b>9,579,303</b>	<b>10,586,766</b>	<b>(1,007,463)</b>	<b>-9.52%</b>	
Accrued expenses and other payables	60,694	66,034	(5,340)	-8.09%	The decrease was due to settlement of 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	19	-	19	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	13,681	15,078	(1,397)	-9.27%	The decrease was due to lower AUM for the period
Income tax payable	43	-	43	100.00%	Accrual of income tax for the period
<b>Total Liabilities</b>	<b>74,437</b>	<b>81,112</b>	<b>(6,675)</b>	<b>-8.23%</b>	
Share capital	135,309	135,309	-	0.00%	
Additional paid in capital	18,111,383	18,111,604	(221)	0.00%	
Retained earnings	2,331,111	3,078,408	(747,297)	-24.28%	Net loss for the period.
Treasury Shares	(11,072,937)	(10,819,667)	(253,270)	2.34%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>9,504,866</b>	<b>10,505,654</b>	<b>(1,000,788)</b>	<b>-9.53%</b>	Decrease was due to net loss during the period.
<b>Net Assets Value per Share</b>	<b>\$ 2.9692</b>	<b>\$ 3.1950</b>	<b>(\$ 0.2258)</b>	<b>-7.07%</b>	

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

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

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

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

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

#### Statement of Comprehensive Income for the Three months ended – 31 March 2022 vs. 31 Mar 2021

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	(\$ 172,293)	(\$ 44,846)	(\$ 127,447)	284.19%	The decrease was mainly due to higher realized trading loss from disposal of equity securities during the period compared from the same period last year.
Operating Expenses	48,909	60,875	(11,966)	-19.66%	This is mainly due to the decrease in management and distribution fees brought by lower average AUM for the period
Net Unrealized Losses on Investments	(526,046)	(375,484)	(150,562)	40.10%	Due to impact of unfavorable market condition of foreign investments during the period
Provision for Income Tax	49	57	(8)	-14.04%	Income tax under MCIT and final taxes of interest income earned from fixed income investments.
Net Investment Income (Loss)	(\$ 747,297)	(\$ 481,262)	(266,035)	-55.28%	

Average daily net asset value from January to March 2022 and January to March 2021 are \$9,937,088.02 and \$12,454,572, respectively.

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

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

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

There were no known material events subsequent to the end of the quarterly reporting period that have not been reflected in the Fund's interim unaudited financial statements as at the period ended March 31, 2022. There were no significant elements of income or loss that did not arise from the Fund's continuing operations.

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

## PART II – RISK MANAGEMENT

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

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

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

**1.1 Market Risks:** The Fund is invested in fixed income securities. **Interest Rate Risk** is applicable to fixed income investments of the Fund when the value of an investment of the Fund decreases due to movement in market factors such as changes in interest rates. Changes in interest rates applicable to fixed income investments refer to the period when interest rates rise, the market price of the bonds held by the Fund, if any, may fall. The longer the overall maturity of the bonds held by the Fund, the more sensitive the prices of the bonds will be to changes in interest rates. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund for fixed income investments.

The fund will manage interest rate risk by actively monitoring the prevailing interest rate environment and spreads on Philippine bonds. During periods of rising rates and widening of credit spreads, the fund manager will reduce the duration of the portfolio. During periods of falling rates and narrowing credit spreads, the fund manager will increase the duration of the portfolio.

**1.2 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. It is good to note, however, that the Fund's government securities holdings are considered almost credit risk-free assets as they carry an unconditional guarantee of the Republic of the Philippines.

The manager will monitor the balance of payments position to monitor the credit risk for sovereign bonds. For corporate papers, preference will be given to companies with significant US dollar revenues.

**1.3 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 Fund's 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.

**1.4 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.



**1.5 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.

**1.6 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.

**1.7 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.

**1.8 Foreign Currency Risk:** The investments of the fund will be held in fixed income securities denominated in US Dollars. The value the USD fluctuates constantly against the Philippine peso due to a myriad of factors, principally interest rates and inflation rates in their respective domiciles. These in turn will affect the value of the fixed income instruments, ultimately impacting the NAVPS of the fund.

**1.9 Fund Manager Risk:** The performance of the Fund is also dependent on the Fund Manager’s skills. Hence, the Fund may underperform in the market and/or in comparison with similar funds due to investment decisions made by the Fund Manager, and may also fail to meet the Fund’s investment objectives. The Board of Directors of the Issuer, however, shall ensure that all investment policies and restrictions enumerated in the 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.

**1.11 Foreign Investment Risk:** The Fund invests in securities issued by corporations in, or governments of, countries other than the Philippines. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of the Philippines may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in the Philippines;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country.

**1.12 Geographic Concentration Risk:** Some Funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these Funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds with more geographically-diversified holdings.

**1.13 Underlying Fund Risk:** Some Funds may pursue its investment objectives indirectly by investing in shares of other mutual funds, including exchange traded funds, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund will be unable to value part of its portfolio and may be unable to redeem shares. Underlying funds that are traded on an exchange are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund's units often trade on the exchange at a premium or discount to the net asset value of such units; (ii) an active trading market for an exchange- traded fund's units may not develop or be maintained, and (iii) there is no assurance that the exchange- traded fund will continue to meet the listing requirements of the exchange.

## 2. Capital Risk Management Objectives and Policies

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high-quality debt from domestic issuers.

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

The capital structure of the Company consists of issued capital.

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 directly in real estate properties and developments;
- 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; and
- It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- Investment Objective -to provide regular returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies, or corporations operating therein or through diversified investment companies invested in such securities.
- Benchmark - 95% Bloomberg Barclays EM Asia USD Credit Philippines Index and 5% 30-day US Dollar Deposit Rate.
- Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.5% 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 March 31, 2022 and December 31, 2021, the Company is consistently in compliance with the minimum paid-in capital requirement of the SEC of P50,000,000.

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

As of reporting period March 31, 2022, the Company’s investment in listed foreign equity securities are as follows:

Name of Issuing Entity and Association of Each Issue	Market Value
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	\$ 517
SCHRODER ISF GLOBAL HIGH YIELD	31
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	48,625
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	43,720
<b>GRAND TOTAL</b>	<b>\$ 92,892</b>

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

**CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

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

**Critical Judgments in Applying Accounting Policies**

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

### Business model assessment

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost 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 March 31, 2022, 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.

### Functional currency

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

### Puttable shares designated as equity instruments

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

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

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

As at March 31, 2022 and December 31, 2021, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$135,309.

#### **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 March 31, 2022 and December 31, 2021, the Company assessed a nil probability of default 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.

#### 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 March 31, 2022 and December 31, 2021.

#### Determining the fair value of investments in debt securities, UITF and special savings deposits as financial assets at FVTPL

The Company carries its investments in traded debt securities and special savings deposits 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.

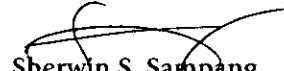
**SIGNATURES**

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 Prosperity Dollar Abundance Fund, Inc.

Principal Financial/Accounting Officer/Comptroller:

Signature and Title : Treasurer

  
Sherwin S. Sampang

Date : May 18, 2022

## SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

March 31, 2022 and December 31, 2021

	Formula	2022	2021
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	128.69:1	130.52:1
b. Quick ratio	Quick Assets/Current Liabilities	128.67:1	130.52:1
c. Cash ratio	Cash/Current Liabilities	20.48:1	8.35:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilities	127.69:1	129.52:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	-55.17:1	36.26:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	70499.88:1	16304.05:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	N/A	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	0.008:1	0.008:1
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	N/A	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.008:1	0.008:1
Asset to equity ratio	Total Assets/Total Equity	1.01:1	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	433.71%	-48.45%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	433.71%	-48.45%
c. Pre-tax margin	EBIT/Revenue	433.71%	-48.45%
d. Effective tax rate	Income Tax/EBIT	-0.01%	-0.10%
e. Post-tax margin	Net Income After Tax/Revenue	433.74%	-48.50%
f. Return on equity	Net Income After Tax/Average Common Equity	-7.47%	-1.20%
g. Return on asset	NIAT/Average Total Assets	-7.41%	-1.19%
Capital intensity ratio	Total Assets/Revenue	-55.6:1	36.54:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A



**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**Schedule Required under SRC Rule 68**

**i. Percentage of Investment in a Single Enterprise to Net Asset Value**  
As of March 31, 2022 and December 31, 2021

	2022			2021		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Treasury Notes (ISIN)</b>						
PILIPINAS BOND BSNZPM 8.6 06/15/97	276,348	9,504,866	2.91%	276,348	10,505,654	2.63%
PHILIPPINES(REP) PHILIP 1.648 06/10/31	1,134,209	9,504,866	11.93%	1,233,105	10,505,654	11.74%
PHILIPPINES(REP) PHILIP 3.7 02/02/42	1,073,905	9,504,866	11.30%	1,210,425	10,505,654	11.52%
PHILIPPINES(REP) PHILIP 3 3/4 01/14/29	832,368	9,504,866	8.76%	900,430	10,505,654	8.57%
PHILIPPINES(REP) PHILIP 1.95 01/06/32	1,088,228	9,504,866	11.45%	1,179,426	10,505,654	11.23%
PHILIPPINES(REP) PHILIP 2.457 05/05/30	1,138,850	9,504,866	11.98%	1,237,418	10,505,654	11.78%
PHILIPPINES(REP) PHILIP 3 02/01/28	-	-	-	1,287,364	10,505,654	12.25%
PHILIPPINES(REP) PHILIP 3.2 07/06/46	1,089,030	9,504,866	11.46%	1,083,336	10,505,654	10.31%
PHILIPPINE GOV'T RPNB 1 3/8 10/08/26	234,551	9,504,866	2.47%	248,837	10,505,654	2.37%
PHILIPPINES(REP) PHILIP 4.2 03/29/47	522,780	9,504,866	5.50%	-	-	-
<b>Mutual Funds</b>						
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	517	9,504,866	0.01%	541	10,505,654	0.01%
SCHRODER ISF GLOBAL HIGH YIELD	31	9,504,866	0.00%	32	10,505,654	0.00%
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,171,143	10,505,654	11.15%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	48,625	9,504,866	0.51%	-	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	43,720	9,504,866	0.46%	-	-	-

**ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company**  
As of March 31, 2022 and December 31, 2021

	2022			2021		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
<b>Treasury Notes (ISIN)</b>						
PILIPINAS BOND BSNZPM 8.6 06/15/97	150,000	**	-	150,000	**	-
PHILIPPINES(REP) PHILIP 1.648 06/10/31	1,275,000	**	-	1,275,000	**	-
PHILIPPINES(REP) PHILIP 3.7 02/02/42	1,110,000	**	-	1,110,000	**	-
PHILIPPINES(REP) PHILIP 3 3/4 01/14/29	800,000	**	-	800,000	**	-
PHILIPPINES(REP) PHILIP 1.95 01/06/32	1,200,000	**	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 2.457 05/05/30	1,200,000	**	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 3 02/01/28	-	-	-	1,200,000	**	-
PHILIPPINES(REP) PHILIP 3.2 07/06/46	1,215,000	**	-	1,065,000	**	-
PHILIPPINE GOV'T RPNB 1 3/8 10/08/26	250,000	57,808,180,000	0.00%	250,000	56,770,200,000	0.00%
PHILIPPINES(REP) PHILIP 4.2 03/29/47	500,000	**	-	-	-	-
<b>Mutual Funds</b>						
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	2	1,238,639	0.00%	2	1,341,448	0.00%
SCHRODER ISF GLOBAL HIGH YIELD	1	40,472,951	0.00%	1	40,600,946	0.00%
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,104,226	175,080,242	0.63%
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	5,794	292,691,541	0.00%	-	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	124	10,134,665	0.00%	-	-	-

**iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets**  
As of March 31, 2022 and December 31, 2021

	2022	2021
Total Liquid and Semi-Liquid Assets	9,577,996	10,586,761
TOTAL ASSETS	9,579,303	10,586,766
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	99.99%	100.00%

**iv. Total Operating Expenses to Total Net Worth**  
As of March 31, 2022 and December 31, 2021

	2022	2021
Total Operating Expenses	48,909	233,760
Average Daily Net Worth	9,937,088	11,685,686
Total Operating Expenses to Average Daily Net Worth	0.49%	2.00%

**v. Total Assets to Total Borrowings**  
As of March 31, 2022 and December 31, 2021

	2022	2021
Total Assets	9,579,303	10,586,766
Total Borrowings	74,437	81,112
Total Assets to Total Borrowings	12869.01%	13052.03%

\*\* Figures not available

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.  
Schedule of Investments  
Financial assets at fair value through profit and loss

Name of Issuing Entity and Association of Each Issue	March 31, 2022			December 31, 2021	
	Number of Shares / Principal Amount of Bonds and Notes	Market Value	Aggregate Cost	Number of Shares / Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
<b>Corporate Issued Bonds and Treasury Notes Issued by the Nat'l. Government</b>	7,700,000	\$ 7,390,269	\$ 7,823,149	8,250,000	\$ 8,656,691
<b>Mutual Funds</b>					
MFS MERIDIAN FUNDS - GLOBAL HIGH YIELD FUND	2	517	505	2	541
SCHRODER ISF GLOBAL HIGH YIELD	1	31	30	1	32
SUN LIFE PROS DOLLAR STARTER	-	-	-	1,104,226	1,171,143
HSBC GLOBAL INVESTMENT FUNDS - ASIA HIGH YIELD BOND	5,794	48,625	53,461	-	-
NOMURA FUNDS IRELAND - NOMURA US HIGH YIELD BOND FUND	124	43,720	45,069	-	-
<b>GRAND TOTAL</b>	<b>7,705,921</b>	<b>\$ 7,483,162</b>	<b>\$ 7,922,213</b>	<b>9,354,229</b>	<b>\$ 9,828,407</b>

This document contains key information clients of Sun Life Prosperity Dollar Abundance 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>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 9,504,788.01	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	2.9692	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200	<b>Bloomberg Ticker</b>	SNLPRDA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

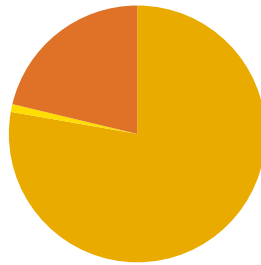
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

### Top Fixed Income Holdings

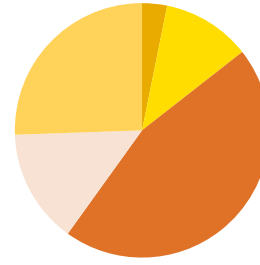
1. ROP 2030, 11.98%
2. ROP 2031, 11.93%
3. ROP 2046, 11.46%
4. ROP 2032, 11.45%
5. ROP 2042, 11.30%

### Investment Mix



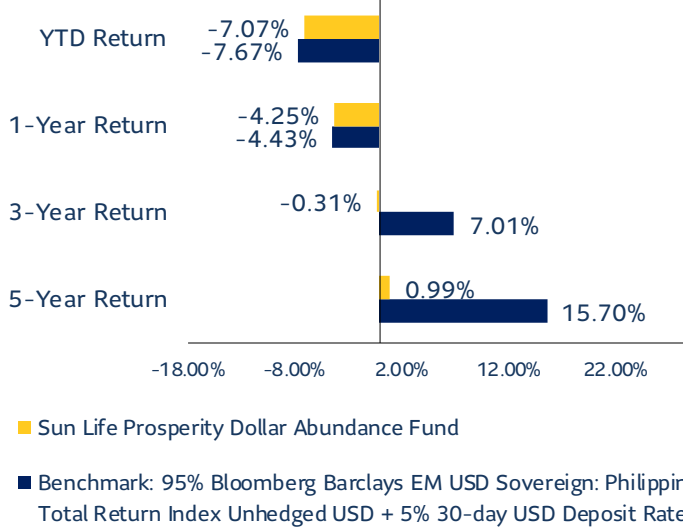
- Government Bonds, 77.75%
- Offshore Fixed Income Funds, 0.98%
- Cash and Other Liquid Assets, 21.27%

### Maturity Profile



- 3-5 years, 3.17%
- 5-7 years, 11.26%
- 7-10 years, 45.48%
- 10-20 years, 14.53%
- 20+ years, 25.55%

## How has the Fund performed?



**Note:** 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.

## Market Review and Outlook

- ROP Sovereign Bond prices went down, as credit spreads remained elevated and US Treasury yields climbed.
- ROP credit spreads remained high, as the global geopolitical environment continued to be highly uncertain.
- The Department of Finance managed to issue new ROP bonds in 5, 10 and 25-year tenors.
- US Treasury yields rose as US inflation prints continued to be hot. Expectations on the number of rate hikes also rose as high energy prices added to the problem.
- The Fund will be on the lookout for possible overshoots and will trade them. This is very relevant given that some parts of the US yield curve are already inverted. This suggests that the priced-in Fed hikes will make the Fed susceptible to policy error.
- The Dollar Abundance Fund outperformed the benchmark year-to-date (-7.67%) by 60 basis points due to its underweight stance when ROP prices fell.

**ANNOUNCEMENT:** Please be advised that effective **19 April 2022**, the minimum initial investment amount and maintaining balance of the **Sun Life Prosperity Dollar Abundance Fund** will be lowered to **USD 500** (from USD 1,000), and its minimum additional investment and redemption amount will also be lowered to **USD 100** (from USD 200). Thank you.

**Disclaimer:** Sun Life Asset Management Company, Inc. (SLAMCI) makes no representation as to the accuracy or completeness of the information contained herein. The information contained in this presentation is for information purposes only. It is not intended to provide professional investment, or any other type of advice or recommendation in relation to purchases or sales of securities whether or not they are related to SLAMCI; it does not constitute any guarantee of performance; and neither does it take into account the particular investment objectives, financial situation or needs of individual recipients. Any opinions or estimates herein reflect our judgment as at the date of this presentation and are subject to change at any time without notice. This material is a copyrighted work. You may not share, distribute, revise, transform, or build upon this material without prior written consent of, and proper attribution to Sun Life. All trademarks are the properties of their respective owners.

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<b>Launch Date</b>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 9,647,254.71	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	2.9614	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200	<b>Bloomberg Ticker</b>	SNLPRDA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

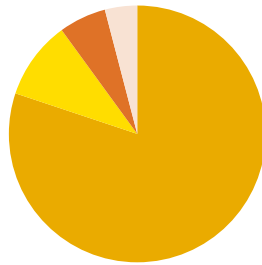
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The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

### Top Fixed Income Holdings

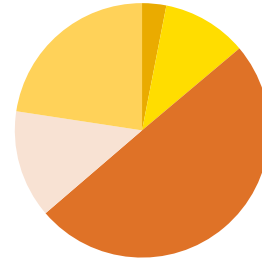
1. ROP 2046, 15.24%
2. ROP 2030, 11.85%
3. ROP 2031, 11.69%
4. ROP 2032, 11.23%
5. ROP 2042, 10.98%

### Investment Mix



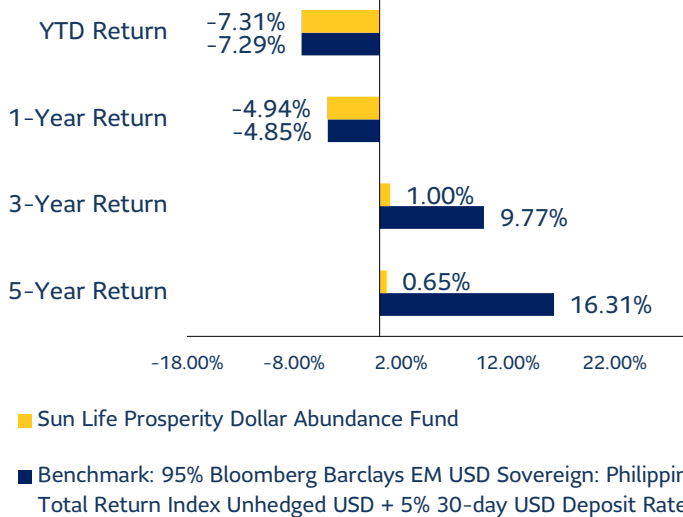
- Government Bonds, 80.12%
- Short-Term Placements, 9.87%
- Offshore Fixed Income Funds, 5.95%
- Cash and Other Liquid Assets, 4.06%

### Maturity Profile



- 3-5 years, 3.07%
- 5-7 years, 10.80%
- 7-10 years, 49.84%
- 10-20 years, 13.70%
- 20+ years, 22.60%

## How has the Fund performed?



**Note:** 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.

## Market Review and Outlook

- ROP sovereign bond prices went down as U.S. Treasury yields climbed and ROP credit spreads widened.
- Market players continue to price in more hikes, as U.S. inflation continues to beat expectations.
- Despite the local reopening theme, ROP credit spreads widened as risk assets suffer as the Ukraine-Russia crisis dampens sentiment.
- The Ukraine-Russia crisis continues to be fluid and events there have the potential to affect inflation expectations, market sentiment, and Central Bank policy outlook. The Fund is being actively managed, incorporating safe haven bets and being opportunistic on possible overshoots in credit spread moves.
- The Dollar Abundance Fund performed at par against the benchmark (-7.29%) year-to-date.

**ANNOUNCEMENT:** Please be advised that effective **April 1, 2022**, the Sun Life Prosperity Dollar Abundance Fund will use **98% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 2% 30-Day US Dollar Deposit Savings Rate** as its new benchmark to reflect lower investments in liquid/semi-liquid assets.

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<b>Launch Date</b>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 10,108,168.31	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.0798	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200	<b>Bloomberg Ticker</b>	SNLPRDA PM Equity
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

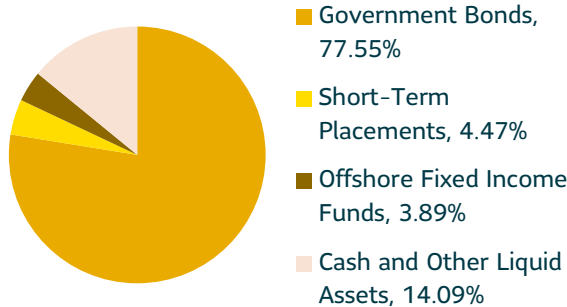
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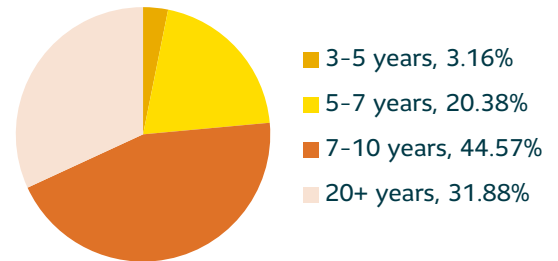
### Top Fixed Income Holdings

1. ROP 2030, 11.76%
2. ROP 2031, 11.62%
3. ROP 2042, 11.22%
4. ROP 2032, 11.18%
5. ROP 2046, 10.78%

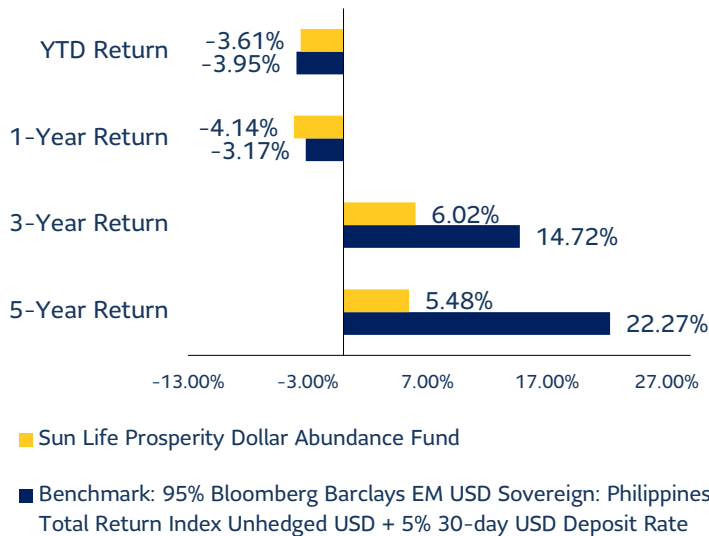
### Investment Mix



### Maturity Profile



## How has the Fund performed?



**Note:** 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.

## Market Review and Outlook

- ROP sovereign bond prices go down as US Treasury yields climb and ROP credit spreads widen.
- The minutes of the Federal Reserve (Fed) meeting last December 2021 shows the Fed's focus shifting to controlling inflation. The implied market pricing now shows the Fed hiking five times this year, up from only 3 last December 2021.
- ROP credit spreads widen as risk assets react to the hawkish pivot by the Federal Reserve.
- The Fund will maintain its underweight duration stance against the benchmark. The Fund will be actively managed as Fed futures pricing might see some overshoots.
- The Fund performed better against the benchmark (-3.95%) by 34 basis points year-to-date due to asset allocation.

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## **sunlife\_sec\_communications**

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**From:** ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>  
**Sent:** Tuesday, May 10, 2022 9:50 AM  
**To:** sunlife\_sec\_communications  
**Subject:** Re: CGFD\_Sun Life Prosperity Dollar Abundance Fund, Inc.\_SEC Form 17-L\_10May2022

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

---

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.  
(Subject to Verification and Review of the Quality of the Attached Document)  
Official copy of the submitted document/report with Barcode Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at [www.sec.gov.ph](http://www.sec.gov.ph)

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### **NOTICE**

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) **Secondary Reports** such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, through email at

[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)

**Note: All submissions through this email are no longer required to submit the hard copy thru mail, eFAST/OST or over- the- counter.**

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the **ONLINE SUBMISSION TOOL (OST)** such as: AFS, GIS, GFFS, LCFS, LCIF, FCFS, FCIF, IHFS, BDFS, PHFS etc. ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC\_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

<https://apps010.sec.gov.ph>

**For your information and guidance.**

**Thank you and keep safe.**

## **sunlife\_sec\_communications**

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**From:** sunlife\_sec\_communications  
**Sent:** Tuesday, May 10, 2022 9:50 AM  
**To:** ICTD Submission; CGFD Account  
**Cc:** PHIL-FIN\_FAR2; Sherwin S Sampang  
**Subject:** CGFD\_Sun Life Prosperity Dollar Abundance Fund, Inc.\_SEC Form 17-L\_10May2022  
**Attachments:** Sun Life Prosperity Dollar Abundance Fund, Inc.\_SEC Form 17-L\_10May2022.pdf

To: CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)

Good day.

Please see attached SEC Form 17-L of Sun Life Prosperity Dollar Abundance 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: [almer.doring@sunlife.com](mailto:almer.doring@sunlife.com)

Thank you.

Almer M. Doring

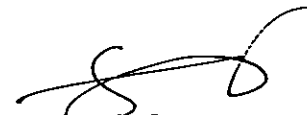


### Certification

I, Sherwin S. Sampang, the Treasurer of Sun Life Prosperity Dollar Abundance Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS200417434 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 Dollar Abundance 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 company Sun Life Prosperity Dollar Abundance Fund, Inc. 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 6th day of May, 2022.

  
Sherwin S. Sampang  
 Affiant

SUBSCRIBED AND SWORN to before me this \_\_\_ day of MAY 06, 2022, in CITY OF MAKATI City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Sherwin S. Sampang	Passport ID No. P9427178A	06 Nov 2018	DFA NCR East

Doc. No. 376;  
 Page No. 35;  
 Book No. XIV;  
 Series of 2022.

**ATTY. GERVACIO B. ORTIZ JR.**  
 Notary Public City of Makati  
 Until December 31, 2022  
 IBP No. 05729-Lifetime Member  
 MCLE Compliance No. VI-0024312  
 Appointment No. M-82-(2021-2022)  
 PTR No. 8452511 Jan. 3, 2022  
 Makati City Roll No. 40091  
 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 March 31, 2022

Date of this report May 06, 2022

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 CS200417434 2. BIR Tax Identification No. : 234-718-559-000

3. Sun Life Prosperity Dollar Abundance 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 March 31, 2022 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

**Sherwin S. Sampang  
Treasurer  
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 [ ✓ ]

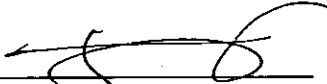
If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

**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 Prosperity Dollar Abundance Fund, Inc.**

Registrant's full name as contained in charter



**SHERWIN S. SAMPANG**  
Treasurer

Date: **May 06, 2022**

## MANAGEMENT REPORT

### a. **Management's Discussion and Analysis (MD&A) or Plan of Operation.**

#### CORPORATE INFORMATION

Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 3, 2004 and started commercial operations on March 1, 2005. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in United States Dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

1. Plan of Operation. For the next twelve (12) months, management will continue its current plan of operation, with a focus on improving cost efficiency.
2. **Management's Discussion and Analysis.** The performance of the Company could be measured by the following indicators:
  - 2.1 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 Company's shareholders.
  - 2.2 Net Investment Income. Represents the total earnings of the Company from its investment securities, less operating expenses and income tax. This gauges how efficiently the Company has utilized its resources in a given time period.
  - 2.3 Assets Under Management (AUM). The assets under the Company's disposal. This measures the profitability of the Company (increase/decrease brought about by its operational income) as well as investor confidence (increase/decrease brought about by investor subscriptions/redemptions).
  - 2.4 Cash Flow. Determines whether the Company 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.

## FINANCIAL STATEMENTS ANALYSIS

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

#### Material Changes in the 1st Quarter Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity –March 31, 2022 vs. December 31, 2021

	31-Mar-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash in banks	\$ 1,524,702	\$ 677,319	\$ 847,383	125.11%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	7,483,162	9,828,407	(2,345,245)	-23.86%	The decrease was due to net disposals of investments and unrealized losses brought by lower fair market values during the year.
Accrued interest receivable	50,996	81,035	(30,039)	-37.07%	Collection of interest depends on the scheduled interest payments of each asset.
Due from brokers	519,136	-	519,136	100.00%	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.
Other current assets	1,307	5	1,302	26040.00%	This pertains to prepaid expenses to be amortized until end of the accounting period.
Total Assets	9,579,303	10,586,766	(1,007,463)	-9.52%	
Accrued expenses and other payables	60,694	66,034	(5,340)	-8.09%	The decrease was due to settlement of 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	19	-	19	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	13,681	15,078	(1,397)	-9.27%	The decrease was due to lower AUM for the period
Income tax payable	43	-	43	100.00%	Accrual of income tax for the period
Total Liabilities	74,437	81,112	(6,675)	-8.23%	
Share capital	135,309	135,309	-	0.00%	
Additional paid in capital	18,111,383	18,111,604	(221)	0.00%	
Retained earnings	2,331,111	3,078,408	(747,297)	-24.28%	Net loss for the period.
Treasury Shares	(11,072,937)	(10,819,667)	(253,270)	2.34%	Due to net acquisition of treasury shares during the period.
Net Assets	9,504,866	10,505,654	(1,000,788)	-9.53%	Decrease was due to net loss during the period.
Net Assets Value per Share	\$ 2.9692	\$ 3.1950	(\$ 0.2258)	-7.07%	

## Material Changes in the 2021 Financial Statements

### Statement of Financial Position and Statements of Changes in Equity – 31 December 2021 and 31 December 2020

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash and cash equivalents	\$ 677,319	\$ 118,992	\$ 558,327	469.21%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	9,828,407	12,850,649	(3,022,242)	-23.52%	The decrease was due to net disposals of investments and unrealized losses brought by lower fair market values during the year.
Accrued interest receivable	81,035	25,787	55,248	214.25%	Collection of interest depends on the scheduled interest payments of each investment.
Other current assets	5	3	2	66.67%	This pertains to prepaid taxes for the excess payment as of year-end
Total Assets	10,586,766	12,995,431	(2,408,665)	-18.53%	
Accrued expenses and other payables	66,034	25,019	41,015	163.94%	The increase was due 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.
Payable to fund manager	15,078	18,473	(3,395)	-18.38%	The decrease was due to lower AUM for the period
Total Liabilities	81,112	43,492	37,620	86.50%	
Share capital	135,309	135,309	-	0.00%	
Additional paid in capital	18,111,604	18,105,583	6,021	0.03%	
Retained earnings	3,078,408	3,218,934	(140,526)	-4.37%	Net loss for the period.
Treasury Shares	(10,819,667)	(8,507,887)	(2,311,780)	27.17%	Due to net acquisition of treasury shares during the period.
Net Assets	10,505,654	12,951,939	(2,446,285)	-18.89%	Net acquisition of treasury shares and net loss for the period.
Net Assets Value per Share	\$ 3.1950	\$ 3.2236	(P0.0286)	-0.89%	

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 audited 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 year.

Statement of Comprehensive Income for the Three Months Ended – 31 March 2022 vs. 31 March 2021

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
Investment Income	(\$ 172,293)	(\$ 44,846)	(\$ 127,447)	284.19%	The decrease was mainly due to higher realized trading loss from disposal of equity securities during the period compared from the same period last year.
Operating Expenses	48,909	60,875	(11,966)	-19.66%	This is mainly due to the decrease in management and distribution fees brought by lower average AUM for the period.
Net Unrealized Losses on Investments	(526,046)	(375,484)	(150,562)	40.10%	Due to impact of unfavorable market condition of foreign investments during the period.
Provision for Income Tax	49	57	(8)	-14.04%	Income tax under MCIT and final taxes of interest income earned from fixed income investments.
Net Investment Income (Loss)	(\$ 747,297)	(\$ 481,262)	(266,035)	-55.28%	

Statement of Comprehensive Income for the Years Ended –31 December 2021 and 31 December 2020

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Investment Income	\$ 289,763	\$ 553,083	(\$ 263,320)	-47.61%	The decrease was due to lower interest income from fixed-income securities and lower trading gains realized due to decrease in disposal of equity securities during the year compared to prior year.
Investment Expense	300	1,327	(1,027)	-77.39%	Lower commission expense during the period.
Operating Expenses	233,760	272,056	(38,296)	-14.08%	This is due to the decrease in management and distribution fees brought by lower average AUM, custody fees and taxes and licenses which were partly offset increase in directors's fees incurred for the year.
Net Unrealized Gains (Losses) on Investments	(196,095)	(89,250)	(106,845)	119.71%	Due to impact of unfavorable market condition of foreign investments during the year.
Provision for Income Tax	134	23	111	482.61%	Income tax under MCIT, final taxes of interest income earned from fixed income investments and effect of change in tax rates (CREATE).
Net Investment Income (Loss)	(\$ 140,526)	\$ 190,427	(330,953)	173.80%	

Average daily net asset value from January to March 2022 and January to March 2021 are \$9,937,088.02 and \$12,454,572, respectively.

Average daily net asset value in 2021 and 2020 is US\$ 11,685,686 and US\$ 13,673,557, 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 of operations of the Fund which are not reflected in the accompanying audited 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 audited financial statements.



There were no known material events subsequent to the end of the quarterly reporting period that have not been reflected in the Fund's interim unaudited financial statements as at the period ended March 31, 2022.

There were no known material events subsequent to the end of the annual reporting period that have not been reflected in the Company's audited financial statements as at the period ended December 31, 2021.

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.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

#### Top 5 Key Performance Indicators

The performance of a fund is important to its investors. Oftentimes, it is used when making investment decisions. That is why Key Performance Indicators (KPI), a set of quantifiable measures, is necessary to gauge its performance in terms of meeting the Fund's investment objective while consistently following its investment policy. The following are the top 5 KPIs related to the Fund:

1. **Total Return.** The performance of a mutual fund is always expressed in terms of its total return, which is the sum of the change in a fund's net asset value (NAV), its dividends and its capital gains distributions over a given period of time, net of its expenses.
2. **Market Conditions.** A fund's true performance potential needs to be evaluated within the context of the market environment prevailing during the different periods used. It is most relevant to investors to measure the performance of a fund within a 5-year time frame as it will most likely cover a mix of market conditions that may be translated into a more reliable long-term indicator of the fund manager's investment management abilities.
3. **Benchmarks.** Benchmarking is one of the most important aspects of a mutual fund's total return performance. A fund's performance metrics only have meaning if they are compared to appropriate "guideposts," or benchmarks.

As for the Fund, considering that it is invested in fixed income instruments denominated in US Dollars issued by the Philippine government, other major economies, or corporations operating therein, its performance is measured against 95% JP. Morgan Asia Credit Index + 5% 30-day Dollar Deposit Savings Rate.

<b>Total Return vs Benchmark</b>		
	<b>Benchmark: 95% Bloomberg Barclays EM Asia USD Credit Philippines + 5% 30-day Dollar Deposit Rate</b>	<b>Sun Life Prosperity Dollar Abundance Fund, Inc.</b>
<b>5-Year Return</b>	15.70%	0.99%
<b>3-Year Return</b>	7.01%	-0.31%
<b>1-Year Return</b>	-4.43%	-4.25%
<b>YTD Return</b>	-7.67%	-7.07%

\*As of March 31, 2022

The benchmark may be changed by the Fund's Board of Directors from time to time.

4. Peer Comparisons. Mutual funds are also compared to their peers, or peer groups, and relevant fund categories. For example, it is common for investment research materials to compare a balance fund, like the Sun Life Prosperity Dollar Abundance Fund, to funds similar in nature (peers or peer group). While this information is made available to the Fund's investors, the same may be found in the website of the PIFA - at [www.pifa.com.ph](http://www.pifa.com.ph).

#### Comparative Returns

	% of MF Industry	YTD	1-Year	3-Year	5-Year
ATRAM Total Return Dollar Bond Fund	0.14%	-7.17%	-4.87%	-3.99%	0.22%
ALFM Dollar Bond Fund, Inc.	3.24%	-0.93%	0.72%	6.92%	11.28%
First Metro Save and Learn Dollar Bond Fund, Inc.	0.16%	-4.23%	-3.11%	-1.19%	0.00%
Philam Dollar Bond Fund, Inc.	0.50%	-6.14%	-4.27%	3.96%	7.06%
<b>Sun Life Prosperity Dollar Abundance Fund, Inc.</b>	<b>0.11%</b>	<b>-7.07%</b>	<b>-4.25%</b>	<b>-0.31%</b>	<b>0.99%</b>

\*As of March 31, 2022

5. Asset Size. Open-ended mutual funds grow their asset size in two ways:
- Increase in the value of the underlying assets as a result of the strong performance of equity securities and/or bonds in the fund's portfolio. When the underlying assets in a portfolio increase in value, the fund's asset size increases.
  - The inflow of investors' money. This is why a fund's asset size will continue to grow even if it has a negative return.

The increase in a fund's asset size signifies solid fund management skills which, combined with favorable market conditions backed by a strong economic outlook, illustrates how effectively a fund manager has performed and the extent to which value has been added through active management.

The second indicates investor confidence in the fund manager, the Fund, or both.

Most analysts check whether the performance of a mutual fund is attributable to personnel who have since left the fund. While there is no magic number when it comes to fund manager tenure, it should provide some investor comfort to know that with respect to the Fund, the Fund Manager and the Fund's top management have been with the Fund for at least five (5) years. Furthermore, the company, having been in the business for decades combined with a record of consistent strong performance indicates a stability and resilience capable of withstanding the different stages of the business cycle.

3. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. There have been no changes in and/or any disagreement with accountants on any accounting and financial disclosures and/or on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

#### b. Registrant's Common Equity and Related Stockholder Matters

1. Market Information. Being an investment company that is not listed with the PSE and required to follow rules specific to mutual funds, shares are distributed through its principal distributor, SLAMCI.

The Fund is not listed in the PSE. It is registered as an open-end investment company and follows rules specific to mutual funds. The NAVPS, or the price at which investors may purchase or sell shares of this Fund is available daily, on any business day.

The following table shows the ranges of high and low prices (NAVPS) of the Company's common shares for 2022, 2021 and 2020:

	2022		2021		2020	
	High	Low	High	Low	High	Low
Q1	\$3.1961	\$2.8982	\$3.2382	\$3.0601	\$3.3038	\$2.9512
Q2	-	-	\$3.1899	\$3.1041	\$3.1808	\$3.0969
Q3	-	-	\$3.2144	\$3.1391	\$3.2638	\$3.1618
Q4	-	-	\$3.2030	\$3.0800	\$3.2277	\$3.1654

2. Holders. There are approximately 2,514 stockholders as of 31 May 2022.

c. Dividends. Each shareholder has a right to any dividends declared by the Board of Directors. Dividends must be declared out of surplus. Except for the condition prescribed for the declaration of stock dividends, there are no restrictions that limit the ability to pay dividends on common equity or that are likely to do so in the future. The Company has not declared cash dividends to date.

Each shareholder is entitled to vote on matters taken up in the annual shareholders' meeting. Shares held by a shareholder can be redeemed anytime at the shareholder's discretion. However, the shareholders do not enjoy preemptive rights.

There are no provisions in the charter or by-laws that would delay, defer or prevent a change in control of the registrant.

d. Sale of Unregistered or Exempt Securities. There has been no sale of unregistered or exempt securities nor has there been a recent issuance of securities constituting an exempt transaction.

e. Top 20 Shareholders. Please refer to Item 4 (d) (1) of SEC form Definitive 20-IS.



SEC Number: CS200417434  
File Number: \_\_\_\_\_

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
(Company's Full Name)

**Sun Life Centre, 5<sup>th</sup> Avenue corner 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- A ANNUAL REPORT**

-----  
Form Type

-----  
Amendment Designation (If applicable)

**December 31, 2021**

-----  
Period Ended Date

**OPEN-END INVESTMENT COMPANY**

-----  
Secondary License Type and File Number

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2021**
2. SEC Identification Number **CS200417434** 3. BIR Tax Identification No. **234-718-559-000**
4. Exact name of registrant as specified in its charter

**Sun Life Prosperity Dollar Abundance Fund, Inc.**

5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6. (SEC Use Only)  
Industry Classification Code:
7. **Sun Life Centre, 5<sup>th</sup> Avenue cor. Rizal Drive, Bonifacio Global City, Taguig City 1634** Address of  
principal office Postal Code
8. **(02) 8555-8888**  
Registrant's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

<b>Title of Each Class</b>	<b>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of December 31, 2021)</b>
<b><u>Common Shares, PHP1.00 Par Value</u></b>	<b><u>3,288,119 shares</u></b>

10. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes  No

11. Check whether the registrant:

(a) Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that the registrant was required to file such reports).

Yes  No

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

Yes  No

## PART I - BUSINESS AND GENERAL INFORMATION

### Item 1. Business

The Sun Life Prosperity Dollar Abundance Fund, Inc. (the “Fund”) is a registered open-end investment company under the Investment Company Act (R.A. 2629) and the Securities Regulation Code (R.A.8799). It was incorporated on November 3, 2004 under SEC Registration No. CS200417434.

Sun Life Asset Management Company, Inc. (“SLAMCI”), a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. (“SLOCPI”), acts as the Fund Manager. The Fund is designed to engage in the sale of its shares of stocks and in the investment of the proceeds of these sales in foreign exchange denominated fixed income investments issued by the Philippines, United States (U.S.) and other foreign governments and corporations; common stocks and related securities, such as preferred stocks, convertible securities, depository receipts issued by Philippines and global corporations; and US Dollar (USD) denominated deposits. For 2021, income of the Fund is composed of the following:

Interest Income from fixed-income securities	64.58%
Trading Gains	35.40%
Interest Income from cash in banks	0.02%

Except obligations of the Philippine Government and its instrumentalities, the Fund does not invest more than fifteen percent (15%) of its net assets in any single enterprise or company. Neither does the total investment of the Fund exceed ten percent (10%) of the outstanding voting securities of any one (1) investee company.

On November 3, 2004, the Fund was incorporated with 2,000,000 authorized shares at par value of P1.00 per share.

On March 11, 2011, the Board of Directors approved the increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00), which was approved by the shareholders on June 28, 2012.

On June 29, 2012, the Fund submitted its application with the SEC for increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00).

As at December 31, 2021, the Fund has 3,288,119 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

The Fund’s common shares are available through SLAMCI’s registered representatives and eligible securities dealers that have entered into an agreement with SLAMCI to sell shares.

The Fund is part of the sixteen (16) Sun Life Prosperity Funds which offer excellent value to investors as a result of SLAMCI’s collective experience in fund management, strong investment philosophy, remarkable investment performance and strong organizational structure. However, it should be noted that past performance of any fund manager is no guarantee of future results. It is only an indication of their capabilities to deal with rapid changes in the economy and market conditions in the future.

The Sun Life Prosperity Funds make investing simple, accessible and affordable. The Sun Life Prosperity Funds offer a unique “family of funds” to choose from. The “family of funds” concept allows investors to modify their investment strategies over time, by letting them transfer from one fund to another, as their needs dictate, as much as ten times a year without paying documentary stamp taxes.

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost. From January 1, 2018, the Company has applied PFRS 9 and classifies its financial assets at fair value through profit or loss and at amortized cost.

The Company does not have financial assets classified as fair value through other comprehensive income. Fair value movements on financial assets are taken through the statement of comprehensive income. The change to marked-to-market thus provides equitable treatment between investors coming in and out of the Fund.

The Fund participates in the mutual funds sector which is a sub-sector of the financial services industry. There are no local geographical boundaries as the nature of the industry and prevailing technology make it possible for the various players to offer their services to almost any place in the country.

The Fund principally competes directly with the Unit Investment Trust Funds (“UITFs”) offered by commercial banks and other mutual funds in the Philippines, namely: ALFM Dollar Bond Fund, Inc. , PAMI Global Bond Fund Inc. and Philam Dollar Bond Fund Inc. However, the Fund does not have any knowledge on the relative size and financial and market strengths of the Fund’s competitors. The Fund principally competes in terms of returns and the associated risks of the return. The principal methods of competition are the over-all returns on the investment product, the after-sales service support provided by the administration, and the various fees levied by the Fund.

The Fund’s market strength is its wide distribution network that provides strategic distribution of Fund shares and the financial stability and reputation of its Investment Company Adviser. The Fund intends to compete principally based on the reputation of SLAMCI for superior investment performance and corporate governance coupled with its distribution network and superior backroom operations.

The Fund does not employ personnel. Day-to-day operations of the Fund are carried out by SLAMCI and governed by the terms and conditions of the Management Agreements between SLAMCI and the Funds.

There are many potential advantages to investing in mutual funds. However, in deciding to invest, the investor is strongly advised to also consider the risks involved, as well as the risks that the Fund faces given its underlying assets whose respective values essentially affect the Fund’s overall net asset value.

**Market Risks:** The Fund is invested in fixed income securities. Interest Rate Risk is applicable to fixed income investments of the Fund when the value of an investment of the Fund decreases due to movement in market factors such as changes in interest rates. Changes in interest rates applicable to fixed income investments refer to the period when interest rates rise, the market price of the bonds held by the Fund, if any, may fall. The longer the overall maturity of the bonds held by the Fund, the more sensitive the prices of the bonds will be to changes in interest rates. This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund for fixed income investments.

The fund will manage interest rate risk by actively monitoring the prevailing interest rate environment and spreads on Philippine bonds. During periods of rising rates and widening of credit spreads, the fund manager will reduce the duration of the portfolio. During periods of falling rates and narrowing credit spreads, the fund manager will increase the duration of the portfolio.

**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. It is good to note, however, that the Fund’s government securities holdings are considered almost credit risk-free assets as they carry an unconditional guarantee of the Republic of the Philippines.



The manager will monitor the balance of payments position to monitor the credit risk for sovereign bonds. For corporate papers, preference will be given to companies with significant US dollar revenues.

**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.

The following are additional risks present in managing the Fund, however, non-quantifiable.

**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.

**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.

**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.

**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.

**Foreign Currency Risk:** The investments of the fund will be held in fixed income securities denominated in US Dollars. The value the USD fluctuates constantly against the Philippine peso due to a myriad of factors, principally interest rates and inflation rates in their respective domiciles. These in turn will affect the value of the fixed income instruments, ultimately impacting the NAVPS of the fund.

**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 the Prospectus are strictly followed.

**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.

**Foreign Investment Risk:** The Fund invests in securities issued by corporations in, or governments of, countries other than the Philippines. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- companies outside of the Philippines may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in the Philippines;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
- foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country.

**Geographic Concentration Risk:** Some Funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these Funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds with more geographically-diversified holdings.

**Underlying Fund Risk:** Some Funds may pursue its investment objectives indirectly by investing in shares of other mutual funds, including exchange traded funds, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund will be unable to value part of its portfolio and may be unable to redeem shares. Underlying funds that are traded on an exchange are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund's units often trade on the exchange at a premium or discount to the net asset value of such units; (ii) an active trading market for an exchange-traded fund's units may not develop or be maintained, and (iii) there is no assurance that the exchange-traded fund will continue to meet the listing requirements of the exchange.

The above risk factors are by no means exhaustive. New and/or unidentified risks may arise given the fast changing financial markets and economic environment.

**Classification of the Fund into high, moderate or low risk investment:** In furtherance of its investment objective, that is to provide regular returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies, or corporations operating therein or through diversified investment companies invested in such securities. The fund is classified as a moderate risk investment.

**Item 2. Properties**

The Fund has financial assets in the form of cash and fixed income securities only. As prescribed by SEC Rules, all of its assets are held by its custodian bank, Citibank, N.A..

Office space of the Fund is provided by SLAMCI pursuant to the Management Agreement. The Fund does not intend to acquire any real property in the course of its business.

**Item 3. Legal Proceedings**

There is no material pending legal proceeding to which the Fund or any of its affiliates is a party, or of which any of their property is the subject.

**Item 4. Submission of Matters to a Vote of Security Holders**

The Fund held its Annual Stockholders' Meeting on 14 July 2021 and the continuation thereof on 10 September 2021. Due to the failure to meet the required quorum of at least 2/3 of the outstanding capital stock, the Amendment of Article III of the Articles of Incorporation on the Principal office Address to comply with SEC Memorandum Circular No. 6, Series of 2014, and the Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6) was not approved. Furthermore, due to the failure to meet the required quorum of majority of the outstanding capital stock, the Fund likewise failed to elect members of the Board of Directors. Thus, the current set of directors shall continue to serve on a holdover capacity for the term 2021-2022.

**PART II - OPERATIONAL AND FINANCIAL INFORMATION**

**Item 5. Market for Registrant's Common Equity and Related Stockholder Matters**

**1. Market Information**

The shares of the Fund are traded over-the-counter. The Fund's common stocks are available through registered representatives and eligible securities dealers that have entered into an agreement to sell shares with the Fund's Principal Distributor, SLAMCI.

The following table shows the ranges of high and low prices (NAVPS) of the Fund's common shares for each quarter within the last two calendar years:

	2021		2020	
	High	Low	High	Low
Q1	3.2382	3.0601	3.3038	2.9512
Q2	3.1899	3.1041	3.1808	3.0969
Q3	3.2144	3.1391	3.2638	3.1618
Q4	3.2030	3.0800	3.2277	3.1654

The Fund's NAVPS is published daily through Business World, PSE Website, and Sun Life Websites.

Below table shows the investment company return information of the Fund in the last five (5) recently completed fiscal years:

Year on year yield (1-year)	-0.9026%
3 Year - Simple	13.3421%
5Year - Simple	12.2589%

## 2. Holders

The Fund has approximately 2,510 shareholders as of December 31, 2021.

On 7 March 2013, SEC *en banc* approved the confidential treatment of the list of Top 20 shareholders of the Fund, including its 5% and 10% beneficial owners. This is to protect the investors' privacy which is a privilege they enjoy when they invest in other shared investment vehicles such as unit investment trust funds and bank deposits.

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 December 31, 2021.

% Ownership of Institutional Investors	% Ownership of Retail Investors
9.09%	90.91%

Area	Percentage of Investments
LUZON	94%
VISAYAS	4%
MINDANAO	2%
TOTAL	100%

## 3. Dividends

The Fund has not declared cash dividends to date. Stock dividends of two percent (2%) as of record date were declared in 2006, 2007 and 2008. It has no restrictions that may limit its ability to pay stock or cash dividends in the future.

The Board of Directors of the Fund has the power to fix and determine the amount to be reserved or provided for declaration and payment of dividends from the Fund's unrestricted retained earnings. The amount of such dividends (either in cash, stock, property or a combination of the foregoing) will depend on the Fund's profits, cash flows, capital expenditure, financial condition, and other factors.

The existence of surplus profit arising from the operation of the Fund is needed before a dividend can be declared. The surplus profits or income must be a bona fide income founded upon actual earnings or profits. Actual earnings or profits shall be the net income for the year based on the audited financial statements, adjusted for unrealized items, which are considered not available for dividend declaration.

Cash dividends and property dividends may be declared by the Board of Directors and no stockholder approval is required. Stock dividends paid on the Offer Shares are subject to approval by both the Board of Directors and the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Fund at a stockholders' meeting called for such purpose.

Under the Revised Corporation Code, Corporations with surplus profit in excess of 100% of its paid-in capital stock are required to declare dividends (cash or stock) and distribute it to its stockholders.

Dividends so declared will be automatically reinvested in additional shares on behalf of the shareholders, without sales charges, at the NAVPS on the payment date established for such dividends. Shareholders may also elect not to have dividends reinvested and receive payment in cash, net of tax.

#### **Item 6. Management's Discussion and Analysis or Plan of Operation.**

The Performance of the Fund 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 plus the total number of shares outstanding due to deposit for future subscriptions (DFFS) and for conversion to shares, if any, as of the end of the reporting day. Any increase or decrease in NAVPS translates to a prospective capital gain or capital loss, respectively, for the Fund's shareholders.
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).** The assets under the Fund's disposal. This measures the profitability of the Fund (increase/decrease brought about by its operational income) as well as investor confidence (increase/decrease brought about by investor subscriptions/redemptions).
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.

#### **Accounting Policies for Financial Assets at Fair Value Through Profit and Loss**

##### **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 Fund commits to purchase or sell the asset.

At initial recognition, the Fund 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 Fund classifies its financial assets in the following measurement categories:

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

As at December 31, 2021 and 2020, the Fund does not have financial assets classified as FVTOCI.

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, including investments in complex debt instruments and equity investments, 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 Fund's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Fund 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 period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Fund manages the assets in order to generate cash flows. That is, whether the Fund's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Fund in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Fund assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

#### *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.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

## **FINANCIAL MARKETS REVIEW (2021)**

### **INVESTMENT APPROACH**

The investment mandate of the Fund is focused on USD-denominated sovereign and corporate fixed income securities which deliver both accrual income and capital gains. Interest rate risk exposure is managed through portfolio duration relative to that of the benchmark. Credit risk, on the other hand, is managed through a stringent adjudication process on a group level. Optimum levels of cash are maintained to support investment and client liquidity requirements.

### **PERFORMANCE REVIEW**

2021 was the year of COVID-19 vaccine rollouts and economies re-opening across the globe, with developed markets leading the way. 10-year US rates climbed back above 1% and even reached as high as 1.75%. Elevated inflation numbers, supply chain bottleneck concerns, and talks about the US Federal Reserve scaling back its quantitative easing programs also helped push rates higher. However, the emergence of new COVID-19 strains during the year pushed demand for high-quality assets, causing 10-year yields to close the year near 1.50%.

Dollar-denominated Philippine (ROP) government spreads over US Treasury rates traded in a tight range over the year. The country's strong external debt position was offset by the Republic lagging regional peers in terms of vaccine deployment.

For the year, ROP (Philippine USD-denominated debt) and Dollar Abundance's returns were flat at -0.90% as stable accrual income were offset by decline in prices due to rate increases.

### **OUTLOOK**

As the world learns to adapt to COVID-19, central banks are inclined to start unwinding pandemic measures, leading to higher interest rates. Fixed income returns will be challenged as yields rise and spreads widen, though investors may still expect steady accrual income from the Fund moving forward.

## FINANCIAL STATEMENTS ANALYSIS

### Material Changes in the 2021 Financial Statements

#### Statement of Financial Position and Statements of Changes in Equity – 31 December 2021 and 31 December 2020

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash and cash equivalents	\$ 677,319	\$ 118,992	\$ 558,327	469.21%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	9,828,407	12,850,649	(3,022,242)	-23.52%	The decrease was due to net disposals of investments and unrealized losses brought by lower fair market values during the year.
Accrued interest receivable	81,035	25,787	55,248	214.25%	Collection of interest depends on the scheduled interest payments of each investment.
Other current assets	5	3	2	66.67%	This pertains to prepaid taxes for the excess payment as of year-end
<b>Total Assets</b>	<b>10,586,766</b>	<b>12,995,431</b>	<b>(2,408,665)</b>	<b>-18.53%</b>	
Accrued expenses and other payables	66,034	25,019	41,015	163.94%	The increase was due 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.
Payable to fund manager	15,078	18,473	(3,395)	-18.38%	The decrease was due to lower AUM for the period
<b>Total Liabilities</b>	<b>81,112</b>	<b>43,492</b>	<b>37,620</b>	<b>86.50%</b>	
Share capital	135,309	135,309	-	0.00%	
Additional paid in capital	18,111,604	18,105,583	6,021	0.03%	
Retained earnings	3,078,408	3,218,934	(140,526)	-4.37%	Net loss for the period.
Treasury Shares	(10,819,667)	(8,507,887)	(2,311,780)	27.17%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>10,505,654</b>	<b>12,951,939</b>	<b>(2,446,285)</b>	<b>-18.89%</b>	Net acquisition of treasury shares and net loss for the period.
<b>Net Assets Value per Share</b>	<b>\$ 3.1950</b>	<b>\$ 3.2236</b>	<b>(P0.0286)</b>	<b>-0.89%</b>	

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

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

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

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



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

**Statement of Comprehensive Income for the Years Ended –  
31 December 2021 and 31 December 2020**

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	\$ 289,763	\$ 553,083	(\$ 263,320)	-47.61%	The decrease was due to lower interest income from fixed-income securities and lower trading gains realized due to decrease in disposal of equity securities during the year compared to prior year.
<b>Investment Expense</b>	300	1,327	(1,027)	-77.39%	Lower commission expense during the period.
<b>Operating Expenses</b>	233,760	272,056	(38,296)	-14.08%	This is due to the decrease in management and distribution fees brought by lower average AUM, custody fees and taxes and licenses which were partly offset increase in directors's fees incurred for the year.
<b>Net Unrealized Gains (Losses) on Investments</b>	(196,095)	(89,250)	(106,845)	119.71%	Due to impact of unfavorable market condition of foreign investments during the year.
<b>Provision for Income Tax</b>	134	23	111	482.61%	Income tax under MCIT, final taxes of interest income earned from fixed income investments and effect of change in tax rates (CREATE).
<b>Net Investment Income (Loss)</b>	<b>(\$ 140,526)</b>	<b>\$ 190,427</b>	<b>(330,953)</b>	<b>173.80%</b>	

Average daily net asset value in 2021 and in 2020 is \$ 11,685,686 and \$ 13,673,557, respectively.

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

There were no commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Fund which are not reflected in the accompanying audited financial statements. The management of the Fund is of the opinion that there were no income or losses from these items that will have any material effect on its audited financial statements.

There were no known material events subsequent to the end of the annual reporting period that have not been reflected in the Fund's audited financial statements as at the period ended December 31, 2021. There were no significant elements of income or loss that did not arise from the Fund's continuing operations.

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

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

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

1. It does not issue senior securities.
2. 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.
3. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital.
4. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects.
5. It does not invest directly in real estate properties and developments.
6. It does not purchase or sell commodity futures contracts.
7. The proportion of the Fund's assets that shall be invested in each type of security shall be determined from time to time, as warranted by economic and investment conditions.
8. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
9. The Fund may use various techniques to hedge investment risks.
10. It does not change its investment objectives without the prior approval of a majority of its shareholders.

#### **Item 7. Financial Statements**

Copies of the following audited financial statements are attached as Exhibits:

1. Statements of Financial Position, 2021, 2020
2. Statements of Comprehensive Income, 2021, 2020, 2019
3. Statements of Changes in Equity, 2021, 2020, 2019
4. Statements of Cash Flows, 2021, 2020, 2019
5. Notes to Financial Statements

#### **Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

Navarro Amper & Co. /Deloitte Touche Tohmatsu, with address at 19/F Net Lima Plaza, 5th Avenue corner 26th Street, Bonifacio Global City, Taguig City, Philippines, has been the Fund's external auditor since its incorporation in 2004.

There has been no disagreement with the accountants on any accounting and financial disclosures.

#### **External Audit Services/Audit and Audit-Related Fees**

For 2021 and 2020, aggregate fees billed for professional services rendered by the external auditor for the audit of the Fund's annual financial statements and services normally provided by external auditors in connection with statutory and regulatory filings amounted to \$3,510 and \$3,739, respectively. There were no other payments made to the auditor for any other service, including assurance, tax and related services.

External auditors of the Fund are designated in accordance with Section 29 of the Investment Company Act subject to ratification at the annual stockholders' meeting by the vote of a majority of the outstanding voting securities attending.

The Fund’s Board of Directors has an Audit and Compliance Committee, which is composed of Mr. Oscar Reyes, (independent director) Oscar Orbos (independent director), Mr. Cielito F. Habito (independent director) as members. The Audit and Compliance Committee has considered and endorsed for the approval of the Board of Directors the external auditor’s service fees, which were so approved.

**PART III - CONTROL AND COMPENSATION INFORMATION**

**Item 9. Directors and Executive Officers**

**1. Directors and Executive Officers**

The Board of Directors is responsible for conducting all businesses of the Fund. It exercises general supervision over the duties performed by the Fund Manager, Distributor, Administrator, Transfer Agent and Custodian of the Fund.

The following are the incumbent Directors and Executive Officers of the Fund:

Name	Citizenship	Position	Age	Term of Office	Period Served
Benedicto C. Sison	Filipino and American	Director/President Director/Chairman	61	2015- June 2018 July 2018 – present	4 terms 4 terms
Valerie N. Pama	Filipino	Director/ President	58	March 2022 - present	
Cesar Luis F. Bate	Filipino	Independent Director	61	November 2021 – present	
Oscar S. Reyes	Filipino	Independent Director	75	2006-present	16 terms
Cielito F. Habito	Filipino	Independent Director	68	April 2019 – present	3 terms
Sherwin S. Sampang	Filipino	Treasurer	42	November 2021 - present	
Jemilyn S. Camania	Filipino	Compliance Officer	46	April 2020 - present	2 terms
Anna Katrina C. Kabigting-Ibero	Filipino	Corporate Secretary	42	April 2020 – present	2 terms
Frances Ianna S. Canto	Filipino	Assistant Corporate Secretary	33	September 2020 – present	2 terms
Ria V. Mercado	Filipino	Risk Officer	46	2015-present	6 terms

A brief write-up on the business experience of the incumbent directors and executive officers of the Fund follows:

**BENEDICTO C. SISON**

Chairman (2018 to present)

Director (2015 to 2018)

Mr. Benedicto C. Sison is the CEO and Country Head of the Sun Life group of companies in the Philippines from 01 July 2018. He is also the President of Sun Life Financial Philippine Holding Company, Inc. (December 2015 to present) and serves as the Director and Chairman of the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., (September 2015 to present), Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc. (2017 to present), and Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., and Sun Life Prosperity Achiever Fund 2048, Inc. (2018 to present). He is also the Director and Chairman of the Grepalife Funds such as Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (September 2015 to present). He is the Vice President of Sun Life Financial – Philippines Foundation, Inc., (September 2015 to present) where he also served as Trustee (September 2010 to September 2013). He is currently a Senior Advisor to the Board of Trustees of the Philippine Investment Funds Association (PIFA) and Treasurer of the Philippine Life Insurance Association (PLIA).

Prior to his current role, Mr. Sison served as the Chief Strategy and Financial Management Officer of Sun Life of Canada (Philippines), Inc. (April 2015 to 2018). He also served as Chief Financial Officer of Sun Life Financial Asia (November 2012 to March 2015), Director of Sun Life Hong Kong Limited (December 4, 2012 to May 14, 2015), Commissioner of PT. Sun Life Indonesia Services (February 21, 2013 to July 5, 2013) and Commissioner of PT. Sun Life Indonesia (April 19, 2013 to April 23, 2015). He was also the Director/CFO and Treasurer of Sun Life Financial Philippine Holding Company, Inc. (September 2010 to December 2013), CFO and Treasurer of Sun Life Financial Plans, Inc. (September 2010 to December 2013), Director of Great Life Financial Assurance Corporation (July 2012 to September 2013) and Chief Financial Officer and Treasurer of Sun Life Asset Management Company, Inc. (September 2010 to June 2013) and Sun Life of Canada (Philippines), Inc. (September 2010 to October 2012). He also served as the Finance Director – Asia Pacific of Con-Agra International Food Group (September 2006 to August 2010).

He brings to the job a wealth of international finance experience gained primarily from ConAgra Foods, Inc., a multi-billion dollar global consumer products company. He held various positions with increasing responsibility in the areas of audit, financial control, planning and management in ConAgra's US, India and Asia-Pacific Operations. He was the Finance Director for the Asia Pacific Region, based in China, prior to joining Sun Life. Benedict also worked in the academe as well as in the aerospace, defense and public transit industries in the USA.

Mr. Sison is a Magna Cum Laude graduate of BS Business Administration from the University of the Philippines (1983). He earned his Master's degree in Business Administration, Major in Finance/Accounting (1988) from the Graduate School of Management of the University of California Riverside. He is a Certified Public Accountant (CPA) and is a member of the American Institute of CPAs.

**VALERIE N. PAMA**

President / Director (March 2022 – present)

Ms. Valerie N. Pama is currently the Chief Asset Management Officer (“CAMO”) of Sun Life of Canada (Philippines), Inc. Since November 1, 2019, Ms. Pama, in her capacity as CAMO, has been responsible for the expansion and development of the various initiatives to drive the profitability and growth of Sun Life’s overall asset management business providing strategic direction and development of long-term plans and policies.

Currently, Ms. Pama is a Member and Trustee of Sun Life Financial-Philippines Foundation, Inc. (October 2020 to present), Member and Trustee of Filipina CEO Circle (2015 and 2018, respectively to present), Member of Management Association of the Philippines (2015 to present) and Financial Executives of the Philippines (2013 to present).

Ms. Pama is also the Chairman and Director of Grepalife Asset Management Corporation (December 2021 to present). She is the President and Director of seventeen (17) Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life of Canada Prosperity Bond, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (March 2022 to present). She is also the Director of BESTSERVE Financial Ltd. (HKG) (January 2021 to present)

Ms. Pama was previously the Director and President of Sun Life Investment Management and Trust Corporation (September 2020 to June 2021), responsible for its establishment and preparations for operations.

She also served as the Chief Operating Officer of SLAMCI (2011 to 2012) before being appointed as its President in 2013. With over seven years as President of SLAMCI, Ms. Pama has made tremendous contributions by leading it into becoming the number one non-bank asset management company. Under her vision and leadership, the company achieved great milestones: growing from three (3) mutual funds to sixteen (16) mutual funds to over Php100 Billion in Assets Under Management (AUM), launch of the Sun Life Prosperity Card, expanding the sales force into having the most number of Mutual Fund-licensed advisors in the industry and garnering numerous awards from the Philippine Investment Funds Association (PIFA). Another noteworthy recognition for SLAMCI under her management was being named the best asset management company for the Philippines from Euromoney’s 2018 Private Banking and Wealth Management survey.

Ms. Pama is a veteran banker, having been in the industry for 20 years. She started her career with Citibank N.A. in 1990 as a Management Associate, wherein she obtained exposure in various segments of the business, assuming progressively senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage and money market sales. By the time she retired from Citibank N.A. in 2009, Ms. Pama was the President of Citicorp Financial Services and Insurance Brokerage Inc.

Prior to joining Sun Life, Ms. Pama was a Product Development consultant for ING Bank’s Investment Management Group.

Ms. Pama was a member of the Board of Trustees of the Philippine Investment Funds Association (PIFA) from 2011 to 2020 and served as its Chairman from 2013 to 2015. This enabled her to represent the mutual fund industry in advocating investor literacy, customer protection and regulatory advancements to government agencies, key market players and the general public.

Ms. Pama is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. She obtained her Masters in Business Administration in International Business and Finance, with a minor in Business Economics from Katholieke Universiteit Leuven in Belgium. She was awarded With Distinction by the university for her exemplary academic performance on her final year.

**OSCAR S. REYES**

Independent Director (2006 to present)

Mr. Oscar S. Reyes, is an Independent Director of the Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life of Canada Prosperity GS Fund, Inc.; Sun Life Prosperity Dynamic Fund, Inc.; Sun Life Prosperity Dollar Starter Fund, Inc.; Sun Life Prosperity Achiever Fund 2028, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; Sun Life Prosperity Achiever Fund 2048, Inc.; Sun Life Prosperity World Equity Index Feeder Fund, Inc. (formerly DECA Homebuilder Fund, Inc.) (July 2021); and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022).

He is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (“Grepalife Funds”) (2011 – present).

Mr. Reyes’ other current positions are: member of the Advisory Board of PLDT, Inc. and Basic Energy Corporation, Member, Advisory Council of the Bank of the Philippine Islands); Chairman, Pepsi Cola Products Philippines, Inc. Director of PXP Energy Corp. and PLDT Communications and Energy Ventures, Inc., Independent Director of Cosco Capital Inc., D.M. Wenceslao & Associates Inc., Sun Life Financial Plans, Inc., Pioneer Life Inc., Pioneer Insurance & Surety Corporation, Pioneer Intercontinental Insurance, Philippine Dealing System Holdings Corp., Philippine Dealing & Exchange Corporation, Philippine Depository & Trust Corporation, Philippine Securities Settlement Corporation, Team Energy Corporation, among other firms.

He completed his Bachelor of Arts degree in Economics at the Ateneo de Manila University in 1965 (Cum Laude) and did post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University in Ontario, Canada and the Harvard Business School in Boston, Mass, USA.

**CIELITO F. HABITO**

Independent Director (April 2019 to present)

Dr. Cielito F. Habito is an Independent Director of Sun Life Prosperity GS Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity Philippine Stock Index Fund, Inc.; Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life Prosperity Dollar Wellspring Fund, Inc.; Sun Life Prosperity World Voyager Fund, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; Sun Life Prosperity Achiever Fund 2048, Inc.; Sun Life of Canada Prosperity Bond Fund, Inc.; Sun Life Prosperity Peso Starter Fund, Inc. (July 2021); and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022).

He is a Professor of Economics at the Ateneo de Manila University, where he is also a Senior Fellow and former Director (2001-2012) of the Ateneo Center for Economic Research and Development. He also serves as Chairman of Brain Trust Inc., Operation Compassion Philippines, and the Board of Advisers of the TeaM Energy Center for Bridging Leadership at the Asian Institute of Management; Independent Director of First Gen Corporation; Trustee of the Ramon Magsaysay Award Foundation and the Ramos Peace and Development Foundation; Independent Trustee of the Manila Water Foundation; and Member of the National Advisory Council of WWF-Philippines (also known as Kabang Kalikasan sa Pilipinas), JICA-Philippines Advisory Committee, and the World Bank Civil Society Advisory Group.

He had also previously served in the Boards of Manila Water Company, Metropolitan Bank & Trust Company, Metrobank Card Corporation, Frontier Oil Corporation, Mutual Fund Company of the Philippines, One Wealthy Nation (OWN) Fund, Steel Corporation of the Philippines, Philsteel Holdings, Solidbank and Lepanto Consolidated Mining Co.

He served in the Cabinet of former President Fidel V. Ramos throughout his presidency in 1992-1998 as Secretary of Socioeconomic Planning, and Director-General of the National Economic and Development Authority (NEDA). Before joining government, he was Professor and Chair at the Department of Economics of the University of the Philippines-Los Baños (UPLB). He had also worked as Visiting Fellow of the Asian Development Bank Institute in Tokyo, Visiting Professor at the Asian Institute of Management and De La Salle Graduate School of Business, Visiting Research Fellow at the Center for Southeast Asian Studies in Kyoto University, Teaching Fellow at Harvard University and Research Consultant at the World Bank.

Dr. Habito is the recipient of numerous awards including the Presidential Award (2019) and Most Outstanding Alumnus Award (1993) of the UPLB Alumni Association, Philippine Legion of Honor (1998), The Outstanding Young Men (TOYM) of 1991, and the Gawad Lagablab (Outstanding Alumnus Award) of the Philippine Science High School (1991).

He graduated with a Bachelor of Science in Agriculture, *Summa cum laude* from the University of the Philippines-Los Baños in 1975. He earned a Master of Economics from the University of New England (Australia) in 1978 and Master of Arts in Economics (1981) and Ph.D. in Economics (1984) from Harvard University.

#### **SHERWIN S. SAMPANG**

Treasurer (November 2021 – present)

Mr. Sherwin S. Sampang is the Treasurer of the Sun Life Prosperity Funds, i.e., the Sun Life Prosperity Dollar Abundance Fund, Inc.; Sun Life Prosperity Dollar Advantage Fund, Inc.; Sun Life of Canada Prosperity Balanced Fund, Inc.; Sun Life of Canada Prosperity Bond Fund, Inc.; Sun Life Prosperity Dynamic Fund, Inc.; Sun Life of Canada Prosperity Philippine Equity Fund, Inc.; Sun Life Prosperity GS Fund, Inc.; Sun Life Prosperity Peso Starter Fund, Inc.; Sun Life Prosperity Philippine Stock Index Fund, Inc.; Sun Life Prosperity Dollar Wellspring Fund, Inc.; Sun Life Prosperity World Voyager Fund, Inc.; Sun Life Prosperity Dollar Starter Fund, Inc.; Sun Life Prosperity World Equity Index Feeder Fund, Inc.; Sun Life Prosperity Achiever Fund 2028, Inc.; Sun Life Prosperity Achiever Fund 2038, Inc.; and Sun Life Prosperity Achiever Fund 2048, Inc.

Mr. Sherwin S. Sampang is Sun Life Philippines' Head of Financial Planning & Analysis (October 2021 to present). Concurrently, Mr. Sampang is the Treasurer of Sun Life Financial Plans, Inc. (October 2017 to present). He joined Sun Life as Head of Finance Systems, Processes and Internal Controls (September 2016 to October 2018). He later assumed the role of Head of Accounting and Controllershship (November 2018 to September 2021).

Mr. Sampang has over 20 years of local and international experience in Finance and Audit. Prior to joining Sun Life, he was the Head of Finance of QBE Seaboard Insurance Philippines, Inc. His experience includes financial management leadership covering financial reporting, budgeting, forecasting, strategic planning, cost management, business process re-engineering, taxation and treasury. Prior to QBE Seaboard, he was a Director in the assurance practice of PwC Philippines and has acquired extensive international exposure from his 18-month secondment with Deloitte in Boston, MA, USA. He graduated with a degree in Bachelor of Science in Accountancy from Far Eastern University and attended the Management Development Program of the Asian Institute of Management. Mr. Sampang maintains active membership in the Philippine Institute of Certified Public Accountants (PICPA) and is currently a Board of Director of the Philippine Federation of Pre-Need Plan Companies, Inc.

**CESAR LUIS F. BATE**

Independent Director (November 2021 to present)

Mr. Cesar Luis F. Bate is an Independent Director of twelve (12) Sun Life Prosperity Funds namely: Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Achiever Fund 2028, Inc.

Currently, Mr. Bate is the Managing Director of LMN Advisors/Partners Inc. ("LMN"). He established the consultancy firm LMN in October 2006 after being a stockbroker for 20 years. Prior to LMN, Mr. Bate was head of the Philippine operations of Macquarie Securities Philippines from 2004 to 2006. From 1995 to 2004, he was President of Dutch-owned ING Securities Philippines which was the country's largest stock brokerage house for years under his ten-year tenure. Mr. Bate started his career as a stockbroker with the local house A&A Securities in 1987 and joined British-owned Baring Securities as Head of Philippine sales in 1992.

Bate is a registered and authorized salesman of A&A Securities, Inc. He is an Independent Director of RM Commercial REIT, Inc. (2021 to present) and Director of Acacia Lane, Inc. (1980 to present). He was also a Member of the Board of Trustees of Jose Rizal University (2007 to 2016).

Mr. Bate graduated with a Bachelor of Science in Management Engineering from Ateneo de Manila University in 1984.

**JEMILYN S. CAMANIA**

Compliance Officer and Data Protection Officer (April 2020 to present)

Atty. Jemilyn S. Camania is the Chief Compliance Officer of Sun Life of Canada (Philippines), Inc.; Sun Life Financial Plans, Inc.; Sun Life Asset Management Company, Inc.; Sun Life Financial – Philippines Foundation; and the sixteen Sun Life Prosperity Funds, i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2048, Inc. (01 April 2020 to present) and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022).

Atty. Camania started at Sun Life of Canada (Philippines), Inc. as Assistant Counsel (2004 to 2007), Counsel (2007 to 2011), Senior Counsel (2011 to 2012), and Deputy General Counsel (2012 to 2020) and Head of General Corporate Services (2016 to 2020). She also served as Senior International Counsel for Sun Life Asia (2016 to 2020). She also served as Corporate Secretary of Sun Life of Canada (Philippines), Inc. (2010 to 2020); Sun Life Financial Plans, Inc. (2010 to 2020); Sun Life Asset Management Company, Inc. (2005 to 2020); Sun Life Financial Philippine Holding Company, Inc. (2012 to 2020); Sun Life Financial – Philippines Foundation (2012 to 2020); the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., (2005 to 2020), Sun Life



Prosperity Dynamic Fund, Inc. (2012 to 2020), Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc. (2015 to 2020), Sun Life Prosperity World Equity Index Feeder Fund, Inc., and Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., and Sun Life Prosperity Achiever Fund 2048, Inc. (2018 to 2020); Grepalife Asset Management Corporation (2011 to 2020); the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation (2011 to 2020); and the Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (2011 to 2020). Prior to joining Sun Life, she worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004).

Atty. Camania received her Bachelor of Arts in Psychology (1992) and Bachelor of Laws (2001) degrees from the University of the Philippines (Diliman). She passed the Bar Examinations in 2002. She is also a Fellow, Life Management Institute (2010), Professional, Customer Service (with honors) (2011), and Associate, Insurance Regulatory Compliance (2014) of the Life Office Management Association (LOMA).

**ANNA KATRINA C. KABIGTING-IBERO**

Corporate Secretary (April 2020 to present)

Atty. Anna Katrina C. Kabigting-Ibero is the Corporate Secretary of the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., (April 2020 to present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022), and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (April 2020 to present). She is also the Corporate Secretary of Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc., Sun Life Financial Plans, Inc., Grepalife Asset Management Corporation, Sun Life Financial Philippine Holding Company, Inc., Sun Life Financial – Philippines Foundation, Inc., and Assistant Corporate Secretary of Sun Life Grepa Financial, Inc. (April 2020 to present). She was appointed as Corporate Secretary of Sun Life Investment Management and Trust Corporation last September 2020.

Prior to joining Sun Life in 2014, Atty. Ibero worked as an Associate Lawyer at the David Cui-David Buenaventura and Ang Law Offices (2006 to 2010). She later joined the Bank of the Philippine Islands as Legal and Compliance Officer of the Bank's Asset Management and Trust Group (2010 to 2014).

Atty. Kabigting-Ibero received her Bachelor of Arts Major in Legal Management (2000) and Bachelor of Laws (2005) from the University of Santo Tomas. She was called to the Bar in 2006.

**FRANCES IANNA S. CANTO**

Assistant Corporate Secretary (September 2020 to present)

Atty. Frances Ianna S. Canto is the Assistant Corporate Secretary of the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager

Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc. (September 2020 to present), and Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022). She is also the Assistant Corporate Secretary of Sun Life Asset Management Company, Inc. and Sun Life Investment Management and Trust Corporation (September 2020 – present).

Prior to joining Sun Life in May 2020, Atty. Canto worked as a Legal and Compliance Officer of Manulife Philippines (March 2017), where she also served as Assistant Corporate Secretary and Alternate Data Protection Officer. Before joining Manulife, Atty. Canto briefly worked as a consultant with the Office of the Secretary of the Climate Change Commission and prior to that, as an Associate Lawyer at the Medialdea Ata Bello and Suarez Law Office (2013-2016).

Atty. Canto received her Juris Doctor degree from the Ateneo de Manila University. She was admitted to the Bar in May 2014.

#### **RIA V. MERCADO**

Risk Officer (2015-present)

Ms. Ria V. Mercado has been the Head of Risk Management of Sun Life Philippines since 2015. She is also the Risk Officer of the sixteen Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Starter Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc., Sun Life Prosperity Philippine Stock Index Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Peso Starter Fund, Inc. (formerly Sun Life Prosperity Money Market Fund, Inc.), Sun Life Prosperity Dollar Wellspring Fund, Inc., Sun Life Prosperity World Voyager Fund, Inc., Sun Life Prosperity World Equity Index Feeder Fund, Inc., Sun Life Prosperity Achiever Fund 2048, Inc., Sun Life Prosperity Achiever Fund 2038, Inc., Sun Life Prosperity Achiever Fund 2028, Inc., (2015-present), Sun Life Prosperity Peso Voyager Feeder Fund, Inc. (January 2022), and the three Grepalife Mutual Funds i.e., Grepalife Balanced Fund Corporation, Grepalife Dollar Bond Fund Corporation and Grepalife Fixed Income Fund Corporation, (July 2019 to present). She is also the Risk Officer of Sun Life Asset Management Company, Inc., Grepalife Asset Management Corporation, Sun Life of Canada (Philippines), Inc., Sun Life Grepalife Financial, Inc. (July 2015 to present) and Sun Life Financial – Philippines Foundation, Inc. (December 2019 to present).

Prior to joining Sun Life in 2015, she was with Deutsche Knowledge Services (DKS), where she was Debt and Client Risk & Control Lead. In this capacity, she was responsible for risk and control initiatives and for proactively identifying and mitigating operations risks through quality assurance initiatives. Prior to DKS, she was with Standard Chartered Bank where she rose from Graduate Associate to AVP – Unit Operational Risk Manager.

Ms. Mercado holds a Master in Business Management degree from the Asian Institute of Management. She is a BS Business Administration graduate of the University of the Philippines (Diliman).

## **2. Incorporators**

The following are the incorporators of the Company:

Esther C. Tan  
Caesar P. Altarejos, Jr.  
Raoul Littaua  
Rizalina G. Mantaring  
Roy Emil S. Yu

### **3. Significant Employees**

The Fund has no significant employees.

### **4. Family Relationships**

There are no family relationships up to fourth civil degree either by consanguinity or affinity among directors, executive officers, or persons nominated by the Fund to become its directors or executive officers.

### **5. Material Pending Legal Proceedings**

The Fund has no knowledge of any material pending legal proceedings to which any of the directors and executive officers of the Fund is a party of which any of their property is the subject.

The Fund has no knowledge of any material pending legal proceedings, for the past five (5) years and to date, to which any of the directors and executive officers of the Fund is a party of which any of their property is the subject.

There was no bankruptcy petition filed by or against any business of which any of the directors and executive officers of the Fund was a general partner or executive officer either at the time of bankruptcy or within 2 years prior to that time.

No director or executive officer of the Fund was convicted by final judgment in a criminal proceeding, domestic or foreign, and neither is any director or officer subject to any pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.

No director or executive officer of the Fund is being subject to any order, judgment or decree not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities, or banking activities.

No director or executive officer of the Fund is being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

### **Item 10. Executive Compensation**

#### **1. Compensation of Executive Officers.**

The executive officers of the Fund do not receive any form of compensation from their appointment up to the present.

#### **2. Compensation of Directors.**

The directors do not receive any form of compensation from inception up to the present other than a P20,000.00 per diem for meetings attended. Only the members of the Board who are "external directors", *i.e.*, those who are not officers and/or employees of SLOCPI, receive remuneration for their attendance in regular or special meetings of the Board at the rate of P20,000.00 to each director for every meeting attended. Their contributed efforts to the Fund are on a voluntary basis only. Also, there are no bonuses, profit sharing or other compensation plan, pension or retirement plan, contract

or arrangement in which any director or nominee for election as a director or executive officer of the Fund will participate.

Starting January 01, 2010, each external director, as defined above, shall also receive a retainer's fee not to exceed P15,000 per quarter. Payment of such retainer's fee shall be shared by the Fund with the other Sun Life Prosperity Funds which the external director also serves, provided that each external director shall receive only a maximum of P15,000 per quarter from all the Sun Life Prosperity Funds which he serves as director.

Total per diem received by the Fund's directors for the year 2021 and 2020 are \$ 10,167 and \$6,370, respectively as presented in the audited financial statements.

The Board has four (4) regular quarterly meetings for 2021, including the organizational board meeting after the annual shareholders' meeting. For the four (4) meetings and with three (3) members of the Board who are external directors entitled to receive per diem, the Fund forecasts a total directors' per diem of PHP 240,000 (approximately \$4,994) for the year 2021. The external directors are also forecasted to receive a total of P 15,454 (approximately \$322) as retainer's fees for 2021.

**Item 11. Security Ownership of Certain Beneficial Owners and Management**

**1. Security ownership of more than 5% of the Fund's outstanding capital stock as of December 31, 2021:**

On 7 March 2013, SEC *en banc* approved the confidential treatment of the list of Top 20 shareholders of the Fund, including its 5% and 10% beneficial owners. This is to protect the investors' privacy, which is a privilege they enjoy when they invest in other shared investment vehicles, such as unit investment trust funds, and when they invest in bank deposits.

**2. Security Ownership of Management as of December 31, 2021:**

Title of Class	Name of Beneficial Owner	Number of Shares <sup>1</sup>	Nature of Ownership	Citizenship	Percent of Class
Common	Cesar Luis F. Bate	1	Beneficial (B) and Record ('R	Filipino	0.00%
Common	Oscar S. Reyes	1	B & R	Filipino	0.00%
Common	Benedicto C. Sison	1	B & R	Filipino and American	0.00%
Common	Candy S. Esteban	1	B & R	Chinese	0.00%
Common	Cielito F. Habito	1	B & R	Filipino	0.00%

The above individual owners can be reached at c/o the Corporate Secretary, 6/F, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

**3. Voting Trust Holders of 5% or More**

No holder of 5% or more of the Fund's common shares has any voting trust or similar agreement that vest voting rights or other powers to a voting trustee.

**4. Change in Control**

The Fund has no knowledge of any arrangement that may result in a change of control of the Fund.

<sup>1</sup> Number of shares held in their capacity as Director or Chairperson.

## **Item 12. Certain Relationships and Related Transactions**

The Fund is not involved in any related transactions.

## **PART IV - CORPORATE GOVERNANCE**

### **Item 13. Compliance with Leading Practice on Corporate Governance**

The Fund is committed to performing its obligations following sound standards of business and financial practices and assesses the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance through the Corporate Governance Self-Rating Form.

Likewise, the Fund requires the directors to answer a Board Effectiveness Questionnaire to determine their outlook on current practices and further enhance their performance. Internal audit and compliance units of the Fund also actively ensure that the Fund meets its regulatory and moral obligations to the government agencies and the general public, respectively.

There has been no reported incident of any deviation from the Fund's Manual on Corporate Governance. A strong ethical business culture in the performance of duties is continuously upheld and promoted. Nonetheless, the Fund makes an effort to improve corporate governance of the company by holding training sessions for its Board and officers whenever possible.

### **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.

## **PART V – EXHIBITS AND SCHEDULES**

### **A. Audited Financial Statements**

1. Statements of Financial Position, 2021, 2020
2. Statements of Comprehensive Income, 2021, 2020, 2019
3. Statements of Changes in Equity, 2021, 2020, 2019
4. Statements of Cash Flows, 2021, 2020, 2019
5. Notes to Financial Statements

### **B. Reports on SEC Form 17-C**

**- SIGNATURE PAGE FOLLOWS –**

**SIGNATURES**

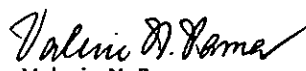
Pursuant to the requirements of Section 11 of the RSA and Section 177 of the Revised Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of \_\_\_\_\_ on \_\_\_\_\_, 2022.

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

Issuer

Pursuant to the requirements of the Revised Securities Act, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:

  
Valerie N. Pama

Principal Accounting Officer/President

  
Gerald L. Bautista

Principal Operating Officer / SLAMCI President



Candy S. Esteban

Principal Accounting Officer/CFO



Sherwin S. Sampang

Principal Financial Officer/Treasurer/Comptroller



Anna Katrina C. Kabigting-Ibero

Corporate Secretary

MAY 12 2022

**MAKATI CITY**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_, 2022, affiants exhibiting their government issued identification cards, as follows:

Name	Government ID No.	Date of Issue	Place of Issue
Valerie N. Pama	Passport No. P7158454B	07/08/2021	DFA Manila
Gerald L. Bautista	Passport No. P9687638B	04/20/2022	DFA Manila
Candy S. Esteban	Driver's License N02-95-277891	05/08/2018	Quezon City
Sherwin S. Sampang	Passport No. P9427178A	11/06/2018	DFA NCR East
Anna Katrina C. Kabigting-Ibero	Driver's License N02-96-324358	08/30/2017	Makati City

Doc. No. 366  
Page No. 71  
Book No. 29  
Series of 2022.

**ATTY. RONEL M. ROMERO**  
 Notary Public  
 Extended until \_\_\_\_\_, 2022  
 PTR No. \_\_\_\_\_  
 Makati City  
 A. \_\_\_\_\_ (2022-2021)  
 \_\_\_\_\_ (2018)  
 M. \_\_\_\_\_ No. 27932  
 10th \_\_\_\_\_ Bldg.  
 Brgy. Pio del Pilar, Makati City

This document contains key information clients of Sun Life Prosperity Dollar Abundance 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>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 10,505,409.62	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.1950	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200		
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

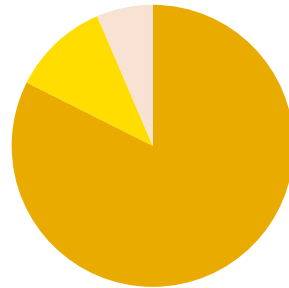
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

### Top Fixed Income Holdings

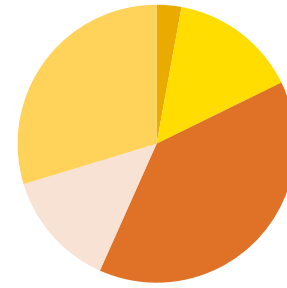
1. ROP 2028, 12.25%
2. ROP 2030, 11.78%
3. ROP 2031, 11.74%
4. ROP 2042, 11.52%
5. ROP 2032, 11.23%

### Investment Mix



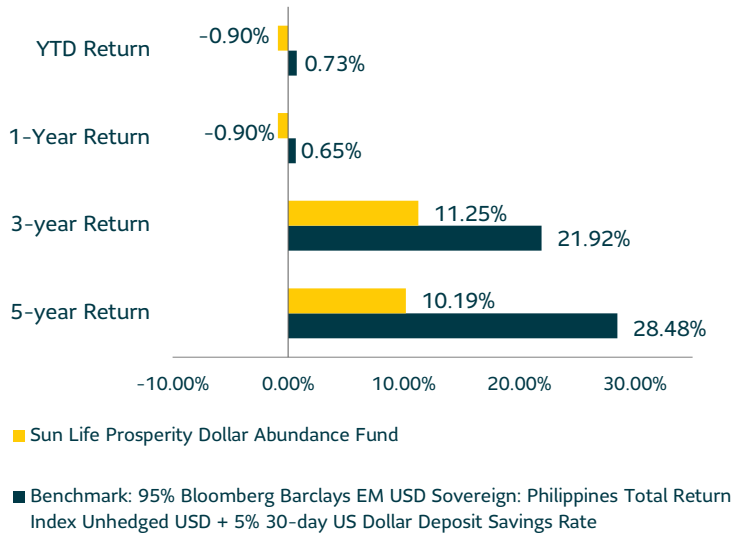
- Government Bonds, 82.40%
- Short-Term Placements, 11.15%
- Cash and Other Liquid Assets, 6.45%

### Maturity Profile



- 3-5 years, 2.87%
- 5-7 years, 14.87%
- 7-10 years, 38.94%
- 10-20 years, 13.62%
- 20+ years, 29.69%

## How has the Fund performed?



**Note:** 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.

## Market Review and Outlook

- ROP sovereign bond prices go up as credit spreads tighten.
- U.S. inflation continues to be above expectations. U.S. Treasury yields go up as market participants price in a faster tapering and more frequent rate hikes in 2022.
- ROP credit spreads tighten as the country's 3Q GDP shows strong performance amid the improving COVID-19 situation in the country.
- The Fund will maintain its underweight duration stance against the benchmark as it appears now that the Fed's focus is price stability rather than full employment. The latter goal seems to be very near target while the former will most likely be addressed by more hawkish stance by the Fed.
- The Sun Life Prosperity Dollar Abundance Fund lags its benchmark (+0.73%) by 163 basis points year-to-date, largely due to security selection.

**Disclaimer:** Sun Life Asset Management Company, Inc. (SLAMCI) makes no representation as to the accuracy or completeness of the information contained herein. The information contained in this presentation is for information purposes only. It is not intended to provide professional, investment, or any other type of advice or recommendation in relation to purchases or sales of securities whether or not they are related to SLAMCI; it does not constitute any guarantee of performance; and neither does it take into account the particular investment objectives, financial situation or needs of individual recipients. Any opinions or estimates herein reflect our judgment as at the date of this presentation and are subject to change at any time without notice. This material is a copyrighted work. You may not share, distribute, revise, transform, or build upon this material without prior written consent of, and proper attribution to Sun Life. All trademarks are the properties of their respective owners.

This document contains key information clients of Sun Life Prosperity Dollar Abundance Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Mutual Fund 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>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 10,503,511.49	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.1516	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200		
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

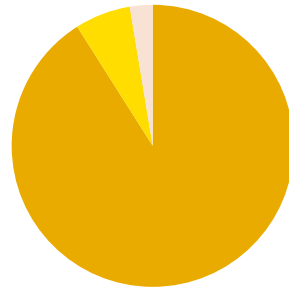
The **Sun Life Prosperity Dollar Abundance Fund** aims to provide returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies or corporations operating therein or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns in US Dollars.

### Top Fixed Income Holdings

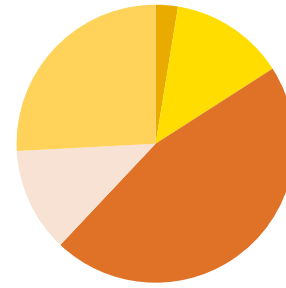
1. ROP 2028, 12.14%
2. ROP 2030, 11.69%
3. ROP 2031, 11.54%
4. ROP 2042, 11.29%
5. ROP 2032, 11.05%

### Investment Mix



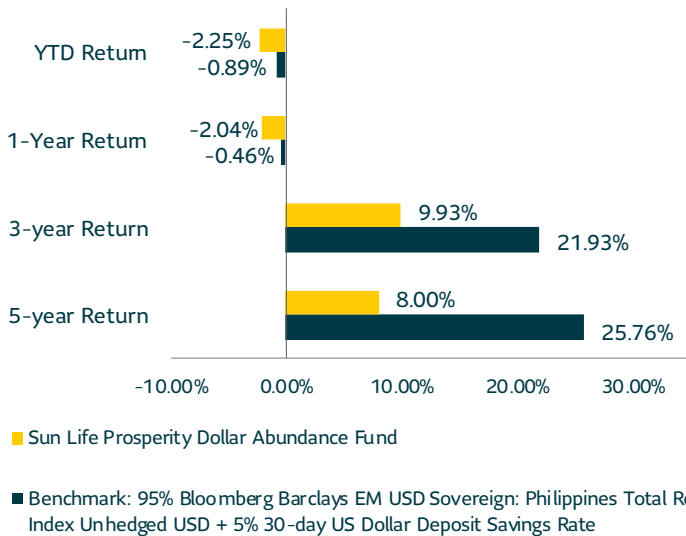
- Government Bonds, 91.00%
- Short-Term Placements, 6.39%
- Cash and Other Liquid Assets, 2.61%

### Maturity Profile



- 3-5 years, 2.59%
- 5-7 years, 13.34%
- 7-10 years, 46.09%
- 10-20 years, 12.15%
- 20+ years, 25.83%

## How has the Fund performed?



**Note:** 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.

## Market Review

- Long-tenored ROP bond prices drop as virus concerns re-emerge and inflation concerns question Fed's monetary policy.
- US inflation again accelerates more than consensus estimates. This prompts investors to bet on faster tapering and earlier rate hikes.
- ROP credit spreads widen as investors digest effects of potential monetary policy recalibration to risk assets. The new Omicron COVID-19 variant also dampens risk sentiment, adding pressure for credit spreads to go higher.
- The Sun Life Prosperity Dollar Abundance Fund lags its benchmark (-0.89%) by 136 basis points year-to-date, largely due to security selection.

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<b>Launch Date</b>	March 1, 2005	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Minimum Holding Period</b>	None
<b>Fund Size</b>	USD 10,700,040.91	<b>Fund Classification</b>	Fixed Income Fund	<b>Early Redemption Fee</b>	None
<b>Net Asset Value Per Share</b>	3.1562	<b>Minimum Subscription</b>	USD 1,000	<b>Redemption Settlement</b>	T+4 business days
<b>Benchmark</b>	95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate	<b>Minimum Subsequent</b>	USD 200		
		<b>Management and Distribution Fee</b>	1.50%		
		<b>Transfer Agency Fee</b>	0.15%		

## What does the Fund invest in?

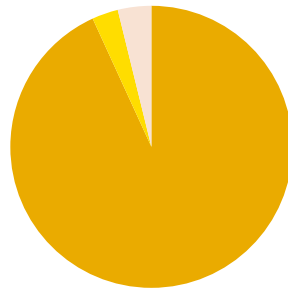
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### Top Fixed Income Holdings

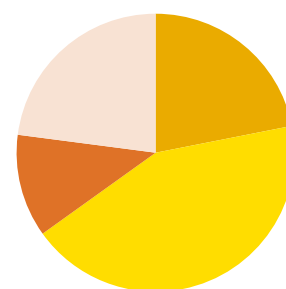
1. ROP 2028, 19.90%
2. ROP 2031, 19.37%
3. ROP 2030, 11.52%
4. ROP 2042, 11.18%
5. ROP 2032, 10.86%

### Investment Mix



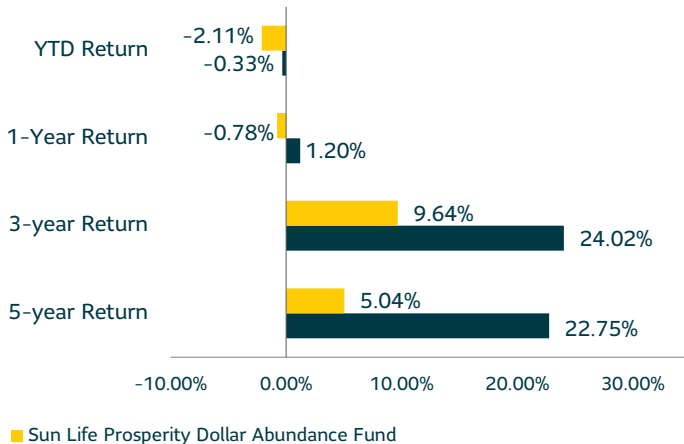
- Government Bonds, 93.16%
- Short-Term Placements, 3.00%
- Cash and Other Liquid Assets, 3.84%

### Maturity Profile



- 5-7 years, 21.36%
- 7-10 years, 42.13%
- 10-20 years, 11.66%
- 20+ years, 22.37%

## How has the Fund performed?



**Note:** 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.

## Market Review

- ROP bond prices perform in different directions as front-end prices go down, and long-end prices go up.
- Concerns on inflation being non-transitory prompt investors to price-in a faster than expected Fed rate hike. The front-end of the US Treasury curve moved up by around 25 basis points (bps). The 30-year US Treasury yield drops by 10 bps on concerns that inflation and faster hikes will dampen growth outlook.
- ROP credit spreads remain stable.
- The Sun Life Prosperity Dollar Abundance Fund lags its benchmark (-0.33%) by 178 bps year-to-date, largely due to security selection.

**Notice on the Change in Benchmark of Dollar Abundance Fund:** Effective August 1, 2021, the Fund will be using 95% Bloomberg Barclays EM USD Sovereign: Philippines Total Return Index Unhedged USD + 5% 30-day US Dollar Deposit Savings Rate as its new benchmark.

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## **sunlife\_sec\_communications**

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**Subject:** SEC CifSS-OST Initial Acceptance

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Greetings!

**SEC Registration No:** CS200417434  
**Company Name:** SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.  
**Document Code:** AFS

This serves as temporary receipt of your submission.  
Subject to verification of form and quality of files of the submitted report.  
Another email will be sent as proof of review and acceptance.

Thank you.

**SECURITIES AND EXCHANGE COMMISSION**  
Secretariat Building, PICC Complex,  
Roxas Boulevard, Pasay City,  
1307, Metro Manila, Philippines

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**From:** May F Quebrata  
**Sent:** Thursday, May 12, 2022 8:07 PM  
**To:** PHIL-FIN\_FAR2  
**Subject:** FW: Your BIR AFS eSubmission uploads were received

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**From:** eafs@bir.gov.ph <eafs@bir.gov.ph>  
**Sent:** Thursday, May 12, 2022 7:41 PM  
**To:** May F Quebrata <May.Quebrata@sunlife.com>  
**Cc:** May F Quebrata <May.Quebrata@sunlife.com>  
**Subject:** Your BIR AFS eSubmission uploads were received

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Hi SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.,

### Valid files

- EAFS234718559AFSTY122021.pdf
- EAFS234718559ITRTY122021.pdf
- EAFS234718559RPTTY122021.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-6AAED6KG0BH899ADLPNPQWVWP0QT4XZSRN**  
Submission Date/Time: **May 12, 2022 07:40 PM**  
Company TIN: **234-718-559**

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2021 and 2020, and for the years ended December 31, 2021, 2020 and 2019, in accordance with the Philippine Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Those charged with governance review and approve the financial statements including the schedules attached therein, and submits the same to the stockholders.

Navarro Amper & Co., the independent auditor appointed by the stockholders for the periods December 31, 2021 and 2020, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon completion of such audit.

Handwritten signature of Benedicto C. Sison in cursive script.

**Benedicto C. Sison**, Chairman of the Board

Handwritten signature of Valerie N. Pama in cursive script.

**Valerie N. Pama**, President

Handwritten signature of Sherwin S. Sampang in cursive script.

**Sherwin S. Sampang**, Treasurer

Signed this 9th day of March 2022.

MAR 09 2022

MAKATI CITY

Subscribed and sworn to me before this \_\_\_ day of \_\_\_\_\_, 2022 at \_\_\_\_\_, affiants exhibiting to me competent evidence of identity, as follows:

Name	Government Issued ID	Date/Place Issued
Benedicto C. Sison	Passport ID P8268568B	24 Nov 2021/DFA Manila
Valerie N. Pama	Passport ID P7158454B	8 July 2021/DFA Manila
Sherwin S. Sampang	Passport ID P9427178A	06 Nov 2018/DFA NCR East

**WITNESS MY HAND AND SEAL** on the date and place above written:

Doc. No. 226  
Page No. 47  
Book No. 12  
Series of 2022.

**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Extended Until June 30, 2022  
P.O. Box 3735  
P.O. No. 886750-000-1, 2022 Makati City  
Appointment No. RA-133 (2020-2021)  
IBP No. 100100 & Jan. 3, 2018  
MCLE NO. VI-6023417 Ref. No. 27932  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

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

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

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

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

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





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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 21 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

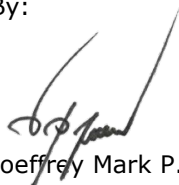
Navarro Amper & Co.

BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024

SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements

TIN 005299331

By:



Joe Jeffrey Mark P. Ferrer  
Partner

CPA License No. 0115793

SEC A.N. 1767-A, issued on August 27, 2019; effective until August 26, 2022, Group A

TIN 211965340

BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until October 8, 2024

PTR No. A-5334284, issued on January 4, 2022, Taguig City

Taguig City, Philippines

April 29, 2022



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

(An Open-end Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

(In US Dollars)

		<b>December 31</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	\$ 677,319	\$ 118,992
Financial assets at fair value through profit or loss	7	9,828,407	12,850,649
Accrued interest receivable	7	81,035	25,787
Other current assets		5	3
		<b>\$10,586,766</b>	<b>\$12,995,431</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	9	\$ 66,034	\$ 25,019
Payable to fund manager	10	15,078	18,473
Total Current Liabilities		<b>81,112</b>	<b>43,492</b>
<b>Equity</b>			
Share capital	11	135,309	135,309
Additional paid-in capital	12	18,111,604	18,105,583
Retained earnings		3,078,408	3,218,934
		<b>21,325,321</b>	<b>21,459,826</b>
Treasury shares	11	<b>(10,819,667)</b>	<b>(8,507,887)</b>
Total Equity		<b>10,505,654</b>	<b>12,951,939</b>
		<b>\$10,586,766</b>	<b>\$12,995,431</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 3.1950</b>	<b>\$ 3.2236</b>

*See Notes to Financial Statements.*

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

(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2021</b>	2020	2019
<b>Investment Income - net</b>				
Interest income	14	<b>\$187,182</b>	\$290,351	\$262,495
Net realized gains on investments	7	<b>102,567</b>	261,691	534,720
Other income		<b>14</b>	1,041	102
		<b>289,763</b>	553,083	797,317
<b>Investment Expenses</b>				
Commission	8	<b>300</b>	1,327	-
<b>Net Investment Income</b>		<b>289,463</b>	551,756	797,317
<b>Operating Expenses</b>				
Management fees	10	<b>116,386</b>	136,887	105,841
Distribution fees	10	<b>96,888</b>	113,917	88,054
Directors' fees	10	<b>10,167</b>	6,370	5,277
Professional fees		<b>3,510</b>	3,739	3,779
Custodian fees		<b>2,708</b>	4,237	4,651
Taxes and licenses		<b>1,936</b>	3,196	2,840
Printing and supplies		<b>59</b>	74	341
Others		<b>2,106</b>	3,636	4,916
		<b>233,760</b>	272,056	215,699
<b>Profit Before Net Unrealized Gain (Loss) on Investments</b>		<b>55,703</b>	279,700	581,618
<b>Net Unrealized Gains (Losses) on Investments</b>	7	<b>(196,095)</b>	(89,250)	469,790
<b>Profit (Loss) Before Tax</b>		<b>(140,392)</b>	190,450	1,051,408
<b>Income Tax Expense</b>	17	<b>134</b>	23	999
<b>Total Comprehensive Income (Loss) for the Period</b>		<b>(\$140,526)</b>	\$190,427	\$1,050,409
<b>Basic Earnings (Loss) Per Share</b>	15	<b>(\$0.039)</b>	\$0.045	\$0.304

*See Notes to Financial Statements.*

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

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY**

(In US Dollars)

For the Years Ended December 31

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2019		\$135,309	\$17,679,599	\$1,978,098	(\$9,713,344)	\$10,079,662
Total comprehensive income for the year		-	-	1,050,409	-	1,050,409
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	53,589	-	1,399,081	1,452,670
Acquisition of treasury shares during the year	11	-	-	-	(1,332,484)	(1,332,484)
Total transactions with owners		-	53,589	-	66,597	120,186
Balance, December 31, 2019		135,309	17,733,188	3,028,507	(9,646,747)	11,250,257
Total comprehensive income for the year		-	-	190,427	-	190,427
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	372,395	-	5,197,139	5,569,534
Acquisition of treasury shares during the year	11	-	-	-	(4,058,279)	(4,058,279)
Total transactions with owners		-	372,395	-	1,138,860	1,511,255
Balance, Decembe 31, 2020		135,309	18,105,583	3,218,934	(8,507,887)	12,951,939
Total comprehensive loss for the year		-	-	(140,526)	-	(140,526)
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	6,021	-	213,670	219,691
Acquisition of treasury shares during the year	11	-	-	-	(2,525,450)	(2,525,450)
Total transactions with owners		-	6,021	-	(2,311,780)	(2,305,759)
<b>Balance, December 31, 2021</b>		<b>\$135,309</b>	<b>\$18,111,604</b>	<b>\$3,078,408</b>	<b>(\$10,819,667)</b>	<b>\$10,505,654</b>

See Notes to Financial Statements.

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

(An Open-end Investment Company)

**STATEMENTS OF CASH FLOWS**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>				
Profit (Loss) before tax		<b>(\$ 140,392)</b>	\$190,450	\$1,051,408
Adjustments for:				
Interest income	14	<b>(187,182)</b>	(290,351)	(262,495)
Net realized gains on investments	7	<b>(102,567)</b>	(261,691)	(534,720)
Net unrealized (gains) losses on investments	7	<b>196,095</b>	89,250	(469,790)
Operating cash flows before working capital changes		<b>(234,046)</b>	(272,342)	(215,597)
Decrease (Increase) in Other current assets		<b>(2)</b>	(3)	140
Increase (Decrease) in:				
Accrued expenses and other payables		<b>41,015</b>	15,904	5,680
Payable to fund manager		<b>(3,395)</b>	(403)	4,093
Cash used in operations		<b>(196,428)</b>	(256,844)	(205,684)
Acquisition of financial assets at fair value				
through profit or loss	7	<b>(33,743,045)</b>	(52,944,378)	(33,971,688)
Proceeds from disposal of financial assets at fair value				
through profit or loss	7	<b>36,671,759</b>	50,928,816	32,314,356
Interest received	14	<b>131,934</b>	344,906	285,448
Income taxes paid		<b>(134)</b>	(289)	(1,895)
Net cash generated from (used in) operating activities		<b>2,864,086</b>	(1,927,789)	(1,579,463)
<b>Cash Flows from Financing Activities</b>				
Payments on acquisition of treasury shares	11	<b>(2,525,450)</b>	(4,058,279)	(1,332,484)
Proceeds from reissuance of treasury shares	11	<b>219,691</b>	5,569,534	1,452,669
Net cash generated from (used in) financing activities		<b>(2,305,759)</b>	1,511,255	120,185
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>558,327</b>	(416,534)	(1,459,278)
<b>Cash and Cash Equivalents, Beginning</b>		<b>118,992</b>	535,526	1,994,804
<b>Cash and Cash Equivalents, End</b>		<b>\$ 677,319</b>	\$ 118,992	\$ 535,526

*See Notes to Financial Statements.*

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

(An Open-end Investment Company)

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## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2021 AND 2020 AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**

(In US Dollars)

### **1. CORPORATE INFORMATION**

Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 3, 2004 and started commercial operations on March 1, 2005. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in United States Dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent and provider of management, distribution and all required operational services, as disclosed in Note 10.

The Company's registered office address and principal place of business is at Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

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

#### **Statement of Compliance**

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

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

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

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

#### **Functional and Presentation Currency**

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

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

#### **Adoption of New and Revised Accounting Standard Effective in 2021**

The Company adopted all accounting standards and interpretations effective as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Company's financial statements and are as follows:

PIC Q&A No. 2020-07, PAS 12, Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements ending December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the financial statements

For the financial statements ending December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes";
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed;
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return;
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates; and
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The management assessed that CREATE bill had reduced income tax expense by \$3 and increase net income and net assets by the same amount. The increase was recorded in 2021 following the provisions of PIC Q&A 2020-07.

#### **New Accounting Standards Effective after the Reporting Period Ended December 31, 2021**

The Company will adopt the following standards when these become effective:

*PFRS 17, Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4 Insurance Contracts.



PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The future adoption of the standard will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

#### *Amendments to PFRS 3, References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process of and has no plan to enter into business combination.

#### *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process and has no plan to acquire such investments.

#### *Amendments to PAS 1, Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2025, with early application permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### *Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendment will have no effect on the Company's financial statements as the Company does not have property, plant and equipment recorded in its financial statements.

#### *Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not issue and enter into onerous contracts.

#### *Annual Improvements to PFRS Standards 2018-2020 Cycle*

##### *Amendments to PFRS 1, Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16 (a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 16, Lease Incentives*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

#### Amendments to PAS 41, *Taxation in fair value measurements*

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13, *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have subsidiary as first-time adopter; does not derecognize any liabilities, does not have lease contracts and leasehold improvements and does not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

#### Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### Amendments to PAS 8, *Definition of Accounting Estimates*

With the amendment, accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have changes in the inputs or measurement techniques used to develop its accounting estimates.

*Amendments to PAS 12, Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease contracts and leasehold improvements and does not recognize deferred assets and liabilities.

*Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9, Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9.

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The future adoption of the amendment will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **Financial assets**

###### **Initial Recognition and Measurement**

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

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

###### **Classification and Subsequent Measurement**

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

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

As at December 31, 2021 and 2020, the Company does not have financial assets classified as FVTOCI.

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, including investments in complex debt instruments and equity investments, 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 period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

### *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, 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.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

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

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

As at December 31, 2021 and 2020, the Company does not have financial assets at FVTOCI.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.



The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

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

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

#### *Significant increase in credit risk*

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

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

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

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

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

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

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

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

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

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

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

#### *Default*

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

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

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

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

#### *Credit-impaired financial assets*

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

#### *Write-off*

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

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

#### *Measurement and recognition of expected credit losses*

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

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

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

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

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

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

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

### Derecognition

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

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

### **Financial Liabilities and Equity Instruments**

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 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 are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

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

#### *Financial liabilities measured subsequently at amortized cost*

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

#### *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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. 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.

### **Provisions, Contingent Liabilities and Assets**

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

### Contingent Liabilities and Assets

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized, but are disclosed only when an inflow of economic benefits is probable. When the realization of income is virtually certain, asset should be recognized.

### **Revenue Recognition**

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

### Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Realized gains or losses

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

### Fair value gains or losses

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

### Other income

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

### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or, (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

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 administrative and other business expenses of the Company including management fees and custodianship fees.

### **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. 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**

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

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, and 30% RCIT rate or 2% MCIT rate, whichever is higher, in 2021 and 2020, respectively.

### Final tax

Final tax expense represents final taxes withheld on interest income from cash in banks, special savings deposits 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.

### **Foreign Currency**

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

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

Exchange differences on monetary items are recognized in profit or loss.



### **Earnings (Loss) Per Share**

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

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

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

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

### **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.

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

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

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

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

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

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or FVTOCI that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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

As at December 31, 2021 and 2020, the Company's financial assets measured at FVTPL amounted to \$9,828,407 and \$12,850,649, respectively, as disclosed in Note 7.

As at December 31, 2021 and 2020, the Company's financial assets measured at amortized cost amounted to \$758,354 and \$144,779, respectively, composed of cash and cash equivalents and accrued interest receivable, as disclosed in Note 6 and Note 7, respectively.

#### Significant increase of credit risk

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

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 disclosed in Note 19.

As at December 31, 2021 and 2020, the Company's financial instruments 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.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 16 and 19, respectively.

#### Functional currency

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

#### Puttable shares designated as equity instruments

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

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

- a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;
- b. it is in the class of instruments that is subordinate to all other classes of instruments;
- c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and
- e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at December 31, 2021 and 2020, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$135,309 as disclosed in Note 11.

### **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 December 31, 2021 and 2020, the Company assessed a nil probability of default for all of its financial assets measured at amortized cost.

The assumptions used by the Company in estimating PD is disclosed in Note 19.

#### 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. The categorization of LGD estimates per financial asset measured at amortized cost is disclosed in Note 19.

#### Estimating loss allowance for ECL

The measurement of the ECL for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 19 Credit Risk – ECL measurement, which also sets out the key sensitivities of the ECL to changes in these elements.

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

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

The Company's ECL assessment on the financial assets measured at amortized cost is disclosed in Note 19.

### 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 deferred tax assets as at December 31, 2021 and 2020, as disclosed in Note 17.

### 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 use of accounting estimates and judgment. Since market interest rate is a significant component of fair value measurement, fair value would differ if the Company applied a different set of reference rates in the valuation methodology. Any change in the fair value of these financial assets would affect profit or loss and equity.

As at December 31, 2021 and 2020, carrying amounts of investments in debt securities classified as financial assets at FVTPL amounted to \$8,656,691 and \$9,638,706, respectively, as disclosed in Note 7.

## **6. CASH AND CASH EQUIVALENTS**

This account consists of cash in bank as of December 31, 2021 and 2020. Total interest earned from cash and cash equivalent amounted \$49, \$65 and \$345 at average interest rates of 0.01%, 0.02% and 0.15% in 2021, 2020 and 2019, respectively, as disclosed in Note 14.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition. As at December 31, 2019, the Company have disposed its cash equivalents.

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

This account consists of:

	<b>2021</b>	2020
Investments in fixed-income securities	<b>\$ 8,656,691</b>	\$ 9,638,706
Investments in global mutual funds	<b>1,171,716</b>	3,211,943
	<b>\$ 9,828,407</b>	\$12,850,649

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

Interest income earned on fixed-income securities amounted to \$187,133, \$290,286 and \$262,150 in 2021, 2020 and 2019, respectively, as disclosed in Note 14. Average interest rates earned on these investments are also disclosed in Note 14.

Accrued interest receivable amounted to \$81,035 and \$25,787 as at December 31, 2021 and 2020, respectively.

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

	<b>2021</b>	2020	2019
Net realized gains (losses) on investments in:			
Equity securities	<b>\$282,039</b>	(\$ 34,602)	\$ 169,630
Fixed-income securities	<b>( 179,472)</b>	296,293	365,090
	<b>102,567</b>	261,691	534,720
Net unrealized gains (losses) on investments in:			
Equity securities	<b>( 84,173)</b>	( 45,342)	127,154
Fixed-income securities	<b>( 111,922)</b>	( 43,908)	342,636
	<b>( 196,095)</b>	( 89,250)	469,790
	<b>(\$ 93,528)</b>	\$172,441	\$1,004,510

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

	<b>2021</b>	2020	2019
Balance, January 1	<b>\$ 12,850,649</b>	\$10,662,646	\$ 8,000,803
Additions	<b>33,743,046</b>	52,944,378	33,971,688
Disposals	<b>(36,569,193)</b>	(50,667,125)	(31,779,635)
Unrealized gains (losses)	<b>(196,095)</b>	(89,250)	469,790
Balance, December 31	<b>\$ 9,828,407</b>	\$12,850,649	\$ 10,662,646

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

	<b>2021</b>	2020
Due after one year through five years	<b>\$ 250,000</b>	\$ 550,000
Due after five years through ten years	<b>4,475,000</b>	-
Due after ten years	<b>3,525,000</b>	8,650,000
	<b>\$8,250,000</b>	\$9,200,000

## 8. DUE TO BROKERS

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

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

Commission expense amounting to \$300, \$1,327 and nil in 2021, 2020 and 2019, respectively, are paid to brokers when buying and selling shares of stock.

## 9. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2021	2020
Due to investors	<b>\$62,237</b>	\$19,846
Professional fees	<b>1,890</b>	2,545
Withholding and documentary stamp taxes	<b>1,494</b>	1,789
Custodianship fees	<b>413</b>	839
	<b>\$66,034</b>	\$25,019

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

## 10. RELATED PARTY TRANSACTIONS

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

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

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
SLAMCI-Fund Manager								
Management Distribution and Transfer fees	<b>\$ 213,274</b>	\$ 250,804	\$ 193,895	<b>\$ 15,078</b>	\$ 18,473	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before 15 <sup>th</sup> day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel								
Directors' fees	<b>10,167</b>	6,370	5,277	-	-	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed	b
Entities Under Common Control								
Sun Life of Canada								
Philippines, Inc.								
Sale	<b>81,540</b>	1,375,917	-	-	-			
Purchase	<b>1,477,341</b>	2,157,005	1,000,000	-	-			
Sun Life Prosperity Dollar Starter Fund, Inc.								
Sale	-	2,044,140	900,000	-	-			
Purchase	-	1,332,177	-	-	-			
Grepalife Dollar Bond Fund, Inc.								
Purchase	-	-	500,000	-	-	Non-interest bearing; Settled in cash on the day of transaction	Unsecured; Unguaranteed	c

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

### a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.5% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day.

On September 22, 2020, the Company and SLAMCI amended its MDA and Transfer Agency Agreement based on the provisions of ICA 2018 IRR (Implementing Rules and Regulations of the Investment Company Act 2018) published by the SEC on January 11, 2018. The agreements shall remain in effect for a period of 2 years from July 31, 2020 and shall continue in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution, and transfer fees charged by SLAMCI to the Company in 2021, 2020 and 2019 amounted to \$213,274, \$250,804 and \$193,895, respectively. Accrued management fees as at December 31, 2021 and 2020 amounting to \$15,078 and \$18,473, respectively, are shown as "Payable to Fund Manager" in the statements of financial position.

#### b. Remuneration of Directors

Remuneration of the Directors is presented in the statements of comprehensive income under "Directors' Fees" amounting to \$10,167, \$6,370 and \$5,277 in 2021, 2020 and 2019, respectively, which are usually paid to directors based on the number of meetings held and attended. There were no accrued directors' fees as at December 31, 2021 and 2020.

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

#### c. Purchase and Sale of Investments

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

## 11. EQUITY

Movements are as follows:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P1.00 par value						
At January 1 and December 31	<b>10,000,000</b>	<b>P10,000,000</b>	10,000,000	P10,000,000	10,000,000	P10,000,000
Fully paid:						
At January 1 and December 31	<b>6,765,497</b>	<b>\$ 135,309</b>	6,765,497	\$ 135,309	6,765,497	\$ 135,309
Treasury Shares:						
At January 1	<b>2,747,668</b>	<b>\$ 8,507,887</b>	3,222,382	\$ 9,646,747	3,255,998	\$ 9,713,344
Acquisitions	<b>798,716</b>	<b>2,525,450</b>	1,261,329	4,058,279	435,368	1,332,484
Reissuance	<b>(69,006)</b>	<b>(213,670)</b>	(1,736,043)	(5,197,139)	(468,984)	(1,399,081)
At December 31	<b>3,477,378</b>	<b>\$10,819,667</b>	2,747,668	\$ 8,507,887	3,222,382	\$ 9,646,747

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

#### *Incorporation*

On November 3, 2004, the Company was incorporated with 2,000,000 authorized shares at par value of P1.00 per share.

### *Approved changes*

On March 11, 2011, the Board of Directors approved the increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00), which was approved by the shareholders on June 28, 2012.

On June 29, 2012, the Company submitted its application with the SEC for increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00).

### *Current state*

As at December 31, 2021, the Company has 3,288,119 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

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

Year	NAVPS,end	Subscriptions	Issuances	Redemptions	Balances
2010	\$2.53	-	1,064,417	(1,063,999)	1,999,489
2011	\$2.67	-	1,056,208	(1,056,031)	1,999,666
2012	\$2.96	-	191,590	(193,046)	1,998,210
2013	\$2.65	4,765,497	1,154,809	(1,161,917)	6,756,599
2014	\$2.81	-	313,283	(1,196,540)	5,873,342
2015	\$2.85	-	587,618	(696,791)	5,764,169
2016	\$2.90	-	1,022,403	(780,960)	6,005,612
2017	\$3.01	-	307,005	(1,850,737)	4,461,880
2018	\$2.87	-	67,311	(1,019,692)	3,509,499
2019	\$3.18	-	468,984	(435,368)	3,543,115
2020	\$3.22	-	1,736,043	(1,261,329)	4,017,829
2021	\$3.20	-	69,006	(798,716)	3,288,119

The total number of shareholders as at December 31, 2021, 2020 and 2019 is 2,510, 2,485 and 2,340, respectively.

### *Redeemable shares*

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

a. Distribution of dividends

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

b. Denial of pre-emptive rights

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

c. Right of redemption

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

## **12. ADDITIONAL PAID-IN CAPITAL**

Additional paid-in capital of \$18,111,604, \$18,105,583 and \$17,733,188 as at December 31, 2021, 2020, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.



### 13. NET ASSET VALUE PER SHARE (NAVPS)

NAVPS is computed as follows:

	Note	2021	2020
Total equity		<b>\$10,505,654</b>	\$ 12,951,939
Outstanding shares	11	<b>3,288,119</b>	4,017,829
NAVPS		<b>\$ 3.1950</b>	\$ 3.2236

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

### 14. INTEREST INCOME

This account consists of interest income on the following:

	Notes	2021	2020	2019
Fixed-income securities	7	<b>\$187,133</b>	\$290,286	\$262,150
Cash in banks	6	<b>49</b>	65	199
Cash equivalents	6	-	-	146
		<b>\$187,182</b>	\$290,351	\$262,495

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

Average interest rates of investments and cash and cash equivalents in 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Fixed-income securities	<b>3.30%</b>	4.83%	3.55%
Cash in banks	<b>0.01%</b>	0.02%	0.03%
Cash equivalents	-	-	0.53%

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

	Notes	2021	2020	2019
Financial assets at FVTPL	7	<b>\$187,133</b>	\$290,286	\$262,150
Cash and cash equivalents	6	<b>49</b>	65	345
		<b>\$187,182</b>	\$290,351	\$262,495

### 15. EARNINGS (LOSS) PER SHARE

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

	2021	2020	2019
Total comprehensive income (loss) for the year	<b>(\$ 140,526)</b>	\$ 190,427	\$1,050,409
Weighted average number of shares: Issued and outstanding	<b>3,610,622</b>	4,260,531	3,458,933
Basic and diluted earnings (loss) per share	<b>(\$ 0.039)</b>	\$ 0.045	\$ 0.304

As at December 31, 2021, 2020 and 2019, the Company has no dilutive potential ordinary shares.

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	Note	Level 1
<b>December 31, 2021</b>		
Investments in fixed-income securities	7	\$ 8,656,691
Investments in global mutual funds	7	1,171,716
		<b>\$ 9,828,407</b>
<b>December 31, 2020</b>		
Investments in fixed-income securities	7	\$ 9,638,706
Investments in global mutual funds	7	3,211,943
		<b>\$12,850,649</b>

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

The fair values of investments in global mutual funds are based on published NAVPS of the mutual fund as at December 31, 2021 and 2020.

Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period are presented separately in the statements of comprehensive income and disclosed in Note 7.

*Financial asset 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	Fair Values		
			Level 1	Level 2	Total
<b>December 31, 2021</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$677,319	\$677,319	\$ -	\$677,319
Accrued interest receivable	7	81,035	-	81,035	81,035
		<b>\$758,354</b>	<b>\$677,319</b>	<b>\$81,035</b>	<b>\$758,354</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 64,540	\$ -	\$ 64,540	\$ 64,540
Payable to fund manager	10	15,078	-	15,078	15,078
		<b>\$ 79,618</b>	<b>\$ -</b>	<b>\$ 79,618</b>	<b>\$ 79,618</b>
<b>December 31, 2020</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$118,992	\$118,992	\$ -	\$118,992
Accrued interest receivable	7	25,787	-	25,787	25,787
		<b>\$144,779</b>	<b>\$118,992</b>	<b>\$25,787</b>	<b>\$144,779</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 23,230	\$ -	\$23,230	\$ 23,230
Payable to fund manager	10	18,473	-	18,473	18,473
		<b>\$ 41,703</b>	<b>\$ -</b>	<b>\$41,703</b>	<b>\$ 41,703</b>

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

Cash in banks, accrued interest receivable, accrued expenses and other payables and payable to fund manager, have short-term maturities, hence, their carrying amounts approximate their fair values.

There were no transfers between Level 1 and 2 in 2021 and 2020.

## 17. INCOME TAXES

Details of tax expense during the year are as follows:

	2021	2020	2019
Final tax	\$ 6	\$10	\$ 50
MCIT	131	13	949
Effects of change in tax rate	(3)	-	-
	<b>\$134</b>	<b>\$23</b>	<b>\$999</b>

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by 25% in 2021 and 30% in 2020 and 2019 is as follows:

	2021	2020	2019
Accounting profit (loss)	<b>(\$140,392)</b>	\$190,450	\$1,051,408
Tax expense (benefit) at 25% in 2021 and 30% in 2020 and 2019	<b>(\$ 35,098)</b>	\$ 57,135	\$ 315,422
Adjustment for income subject to lower tax rate	6	(10)	50
Tax effects:			
Unrecognized Net Operating Loss Carry-Over (NOLCO)	<b>52,685</b>	81,703	47,901
Net unrealized loss (gains) on investments	<b>49,024</b>	26,775	(140,937)
Interest income from fixed-income securities	<b>(40,969)</b>	(87,086)	(61,970)
Net realized loss on investments	<b>(25,642)</b>	(78,507)	(160,416)
Unrecognized MCIT	131	13	949
Changes in current tax expense due to the change in income tax rate	<b>(3)</b>	-	-
	<b>\$ 134</b>	<b>\$ 23</b>	<b>\$ 999</b>

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

Among others, the Act includes the following significant revisions:

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

The tax rate used in the reconciliations above is the corporate tax rate of 25% in 2021 and 30% in 2020 and 2019 payable by the Company.

Details of the Company's NOLCO are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2018	2021	P 8,735,579	P -	P8,735,579	P -
2019	2022	8,105,456	-	-	<b>8,105,456</b>
		P16,841,035	P -	P8,735,579	<b>P8,105,456</b>

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

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2020	2025	P13,089,767	P -	P -	<b>P13,089,767</b>
2021	2026	-	10,742,210	-	<b>10,742,210</b>
		P13,089,767	P10,742,210	P -	<b>P23,831,977</b>

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

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

Year Incurred	Year of Expiry	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied
2018	2021	P 61,503	P -	P -	P61,503	P -
2019	2022	48,181	-	-	-	48,181
2020	2023	610	-	-	-	610
2021	2024	6,669	-	-	-	6,669
		P116,963	P -	P -	P61,503	P55,460

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

The Company's interest income arising from cash in banks are already subjected to final tax while interest income arising from fixed-income securities are tax-exempt and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

## 18. CONTINGENCIES

The Company has no pending legal cases as at December 31, 2021 and 2020 that may have a material effect on the Company's financial position and results of operations.

## 19. FINANCIAL RISK MANAGEMENT

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

### Market risk

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

### *Interest rate risk*

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

The primary source of the Company's interest rate risk relates to cash in banks and fixed-income securities. Interest rates of the financial assets are disclosed in Note 14.

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

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

The following table details the increase or decrease in net profit after tax if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2021, 2020, and 2019:

<b>Change in Interest rates</b>	<b>Increase (Decrease) in Net Profit or Loss</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
+50 basis	<b>(\$404,031)</b>	(\$430,551)	(\$400,523)
-50 basis	<b>435,854</b>	457,196	439,043

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

### *Equity price risk*

The Company is exposed to equity price risks arising from investments in global mutual funds. The risk is managed by the Fund Manager by actively monitoring the movements in NAVPU of investments in global mutual funds.

Based on the exposure to equity price risk at the end of each reporting period, if NAVPU of investments in global mutual funds had been 2% higher or lower, profit or loss would have increased or decreased by \$23,001, \$63,052 and \$60,977 in 2021, 2020 and 2019, respectively.

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

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

## Credit risk

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

The carrying amounts of financial assets recorded in the financial statements represent the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained are as follows:

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
Cash in banks	6	<b>\$ 677,319</b>	\$ 118,992
Financial assets at FVTPL	7	<b>8,656,691</b>	9,638,706
Accrued interest receivable	7	<b>81,035</b>	25,787
		<b>\$9,415,045</b>	\$9,783,485

### *ECL measurement*

In 2021 and 2020, ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The Company's current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Description</b>	<b>Basis for recognizing expected credit losses</b>
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts or that the financial instrument is not credit-impaired on initial recognition	12m ECL
Stage 2	There has been a significant increase in credit risk since initial recognition but not yet deemed to be credit-impaired	Lifetime ECL - not credit-impaired
Stage 3	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery or that the financial instrument is credit-impaired	Lifetime ECL - credit-impaired

### *Measuring ECL – Explanation of inputs, assumptions and estimation techniques*

The ECL is determined by projecting the PD, LGD and exposure at default (EAD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Given that the Company currently has no history of default on their portfolio, a model which incorporates internal default experience is not feasible. For the 12M and Lifetime PD, the Company uses external benchmarking of current internal credit ratings to Standard and Poor’s using one-year transition matrices in S&P’s Annual Global Corporate Default Study and Rating Transition reports. From the transition matrices, cumulative PDs are identified. The overall PD for a specific time horizon is calculated from the cumulative PD, by determining the marginal PD and taking the conditional probability of default given that it has not yet defaulted prior to the said time horizon. The resulting overall PDs are the values that will act as components in ECL calculation.

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

<b>Summary rating</b>	<b>Internal credit rating</b>	<b>S&amp;P rating</b>
High	AAA	AAA
High	AAA	AA
High	AAA	A
High	AAA	BBB
Satisfactory	AA	BB
Acceptable	B	B
Low	CCC/C	CCC/C

The 12M and lifetime EADs are determined based on the contractual repayments owed by the borrower over the 12month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. The Company does not have an undrawn component for any of its debt instruments.

For the 12M and lifetime LGDs, considering the availability of related information, the Company use the external estimates sourced from Standard and Poor’s.

*Forward-looking information incorporated in the ECL models*

The assessment of significant increase of credit risk and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and ECLs for each portfolio. The Company assessed that the key economic variables are unemployment rates for 2021 and 2020.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are based on the economic data from the International Monetary Fund (IMF) from year 2021 until 2025. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of EAD and LGD.

In addition to the base economic scenario, the best value economically spanning from the historical years is taken (upside forecasts). A similar approach applies for the downside forecasts. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes each chosen scenario is representative of. The per-scenario Forward Looking Adjustments were assigned probability weights of 70% for the base scenario and 15% for each of the upside and downside forecast in 2021 and 50% for the base scenario, and 25% for each of the upside and downside forecast in 2020.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Company’s different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2021 and 2020:

	Notes	Internal credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
<b>2021</b>							
Cash and cash equivalents	6	AAA	Stage 1	12-month ECL	\$677,319	\$ -	\$677,319
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	81,035	-	81,035
					<b>\$758,354</b>	<b>\$ -</b>	<b>\$758,354</b>
<b>2020</b>							
Cash and cash equivalents	6	AAA	Stage 1	12-month ECL	\$ 118,992	\$ -	\$ 118,992
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	25,787	-	25,787
					<b>\$ 144,779</b>	<b>\$ -</b>	<b>\$ 144,779</b>

#### Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

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

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

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

	Less than One Month	One Month to One Year	Total
<b>2021</b>			
Accrued expenses and other payables	\$62,237	\$2,303	\$64,540
Payable to fund manager	15,078	-	15,078
	<b>\$77,315</b>	<b>\$2,303</b>	<b>\$79,618</b>
<b>2020</b>			
Accrued expenses and other payables	\$ 19,846	\$3,384	\$ 23,230
Payable to fund manager	18,473	-	18,473
	<b>\$ 38,319</b>	<b>\$3,384</b>	<b>\$ 41,703</b>

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



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

	Average Effective Interest Rate	Less than One Year	One to Five Years	Five to Ten Years	More than Ten Years	Total
<b>2021</b>						
Cash and cash equivalents	0.01%	\$677,319	\$ -	\$ -	\$ -	\$ 677,319
Financial assets at FVTPL	3.30%	231,384	1,174,752	5,324,962	5,280,667	12,011,765
Accrued interest receivable		81,035	-	-	-	81,035
		<b>\$989,738</b>	<b>\$1,174,752</b>	<b>\$5,324,962</b>	<b>\$5,280,667</b>	<b>\$12,770,119</b>
<b>2020</b>						
Cash and cash equivalents	0.02%	\$ 118,992	\$ -	\$ -	\$ -	\$ 118,992
Financial assets at FVTPL	4.83%	211,418	1,349,400	764,900	9,570,495	11,896,213
Accrued interest receivable		25,787	-	-	-	25,787
		<b>\$356,197</b>	<b>\$1,349,400</b>	<b>\$ 764,900</b>	<b>\$ 9,570,495</b>	<b>\$12,040,992</b>

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

## 20. CAPITAL RISK MANAGEMENT

The Fund Manager manages the Company's capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high quality financial instruments.

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 custodian banks.

The capital structure of the Company consists of issued capital as disclosed in Note 11.

The Fund Manager manages the Company's capital and NAVPS, as disclosed in Notes 11, 12 and 13 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 directly in real estate properties and developments;
- 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; and

- i. It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- a. Investment Objective - to provide regular returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies, or corporations operating therein or through diversified investment companies invested in such.
- b. Benchmark - 95% Bloomberg Barclays EM Asia USD Credit Philippines Index and 5% 30-day US Dollar Deposit Rate.
- c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.5% 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 at December 31, 2021 and 2020, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

The equity ratio at year-end is as follows:

	<b>2021</b>	2020
Total equity	<b>\$10,505,654</b>	\$12,951,939
Total assets	<b>10,586,766</b>	12,995,431
Equity ratio	<b>0.9923:1</b>	0.9967:1

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

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

The following information on taxes, duties and license fees paid or accrued during the 2021 taxable year is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

### *Documentary stamp tax*

Documentary stamp taxes incurred by the Company during 2021 amounted to P731 representing taxes paid relative to the issuance of the Company's stock certificates to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholder's investment for stock certificate issuances in excess of ten (10) inter-fund transfers per calendar year.

### *Other taxes and licenses*

Details of other taxes and licenses and permit fees paid or accrued in 2021 are as follows:

<b>Charged to Operating Expenses</b>	
Business tax	<b>P49,375</b>
Filing and registration fees	<b>33,084</b>
Residence or community tax	<b>10,500</b>
	<b>P92,959</b>

*Withholding taxes*

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

	<b>Paid</b>	<b>Accrued</b>	<b>Total</b>
Expanded withholding taxes	<b>P830,129</b>	<b>P76,495</b>	<b>P906,624</b>

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2021.

**23. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements of the Company were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 9, 2022.

The Board of Directors approved the issuance of the financial statements also on March 9, 2022.

\* \* \*

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited the financial statements of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 29, 2022.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on the attached schedule showing the reconciliation of the retained earnings available for dividend declaration and other supplementary information shown in schedules A-H, as required by the Securities and Exchange Commission under the SRC Rule 68, as Revised, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.  
BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024  
SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements  
TIN 005299331

By:



Jeffrey Mark P. Ferrer  
Partner  
CPA License No. 0115793  
SEC A.N. 1767-A, issued on August 27, 2019; effective until August 26, 2022, Group A  
TIN 211965340  
BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until October 8, 2024  
PTR No. A-5334284, issued on January 4, 2022, Taguig City

Taguig City, Philippines  
April 29, 2022



**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DECLARATION**

As at December 31, 2021

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

2nd Floor, Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City

Items	Amount
<b>Unappropriated Retained Earnings, beginning</b>	<b>\$ 3,218,934</b>
<b>Adjustments:</b>	
Accumulated unrealized fair value gains as at December 31, 2019	(209,668)
Treasury shares as of December 31, 2019	(8,507,887)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>	<b>\$ (5,498,621)</b>
<b>Net gain based on the face of AFS</b>	<b>(140,526)</b>
<b>Adjustments for non-actual (gains) losses</b>	
Effect of movements in accumulated unrealized gains during the year	196,095
<b>Net Income Actual/Realized</b>	<b>55,569</b>
<b>Add: Treasury shares reissued during the year</b>	<b>(2,311,780)</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>\$ (7,754,832)</b>

## SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2021 and December 31, 2020

	Formula	2021	2020
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	130.52:1	298.80:1
b. Quick ratio	Quick Assets/Current Liabilities	130.52:1	298.80:1
c. Cash ratio	Cash/Current Liabilities	8.35:1	2.74:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilities	129.52:1	297.80:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	36.26:1	23.42:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	16304.05:1	17196.29:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	N/A	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	0.008:1	0.003:1
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	N/A	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.008:1	0.003:1
Asset to equity ratio	Total Assets/Total Equity	1.01:1	1.00:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	-48.45%	34.43%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	-48.45%	34.43%
c. Pre-tax margin	EBIT/Revenue	-48.45%	34.43%
d. Effective tax rate	Income Tax/EBIT	-0.10%	0.01%
e. Post-tax margin	Net Income After Tax/Revenue	-48.50%	34.43%
f. Return on equity	Net Income After Tax/Average Common Equity	-1.20%	1.57%
g. Return on asset	NIAT/Average Total Assets	-1.19%	1.57%
Capital intensity ratio	Total Assets/Revenue	36.54:1	23.50:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**Schedule Required under SRC Rule 68**

**i. Percentage of Investment in a Single Enterprise to Net Asset Value**  
As of December 31, 2021 and December 31, 2020

	2021			2020		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Treasury Notes (ISIN)</b>						
BSNZPM 8.6 06/15/97	276,348	10,505,654	2.63%	276,348	12,951,939	2.13%
PHILIP 10 5/8 03/16/25	-	-	-	780,588	12,951,939	6.03%
PHILIP 1.648 06/10/31	1,233,105	10,505,654	11.74%	8,581,770	12,951,939	66.26%
PHILIP 3.7 02/02/42	1,210,425	10,505,654	11.52%	-	-	-
PHILIP 3 3/4 01/14/29	900,430	10,505,654	8.57%	-	-	-
PHILIP 1.95 01/06/32	1,179,426	10,505,654	11.23%	-	-	-
PHILIP 2.457 05/05/30	1,237,418	10,505,654	11.78%	-	-	-
PHILIP 3 02/01/28	1,287,364	10,505,654	12.25%	-	-	-
PHILIP 3.2 07/06/46	1,083,336	10,505,654	10.31%	-	-	-
RPGGB 1 3/8 10/08/26	248,837	10,505,654	2.37%	-	-	-

**Mutual Funds**

MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	541	10,505,654	0.01%	701,222	12,951,939	5.41%
SCHRODER INTERNATIONAL SELECTION FUND GLOBAL HIGH YIELD C ACCUMULATION USD	32	10,505,654	0.00%	710,284	12,951,939	5.48%
NOM FI I USD US HIGH YIELD	-	-	-	1,800,438	12,951,939	13.90%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,171,143	10,505,654	11.15%	-	-	-

**ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company**  
As of December 31, 2021 and December 31, 2020

	2021			2020		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
<b>Treasury Notes (ISIN)</b>						
BSNZPM 8.6 06/15/97	150,000	**	-	150,000	**	-
PHILIP 10 5/8 03/16/25	-	**	-	550,000	**	-
PHILIP 1.648 06/10/31	1,275,000	**	-	8,500,000	**	-
PHILIP 3.7 02/02/42	1,110,000	**	-	-	-	-
PHILIP 3 3/4 01/14/29	800,000	**	-	-	-	-
PHILIP 1.95 01/06/32	1,200,000	**	-	-	-	-
PHILIP 2.457 05/05/30	1,200,000	**	-	-	-	-
PHILIP 3 02/01/28	1,200,000	**	-	-	-	-
PHILIP 3.2 07/06/46	1,065,000	**	-	-	-	-
RPGGB 1 3/8 10/08/26	250,000	56,770,200,000	0.00%	-	-	-
<b>Mutual Funds</b>						
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	2	1,341,448	0.00%	2,989	**	-
SCHRODER INTERNATIONAL SELECTION FUND GLOBAL HIGH YIELD C ACCUMULATION USD	1	40,600,946	0.00%	12,694	56,260,000	0.02%
NOM FI I USD US HIGH YIELD	-	-	-	5,305	347,590,000	0.00%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,104,226	175,080,242	0.63%	-	-	-

**iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets**  
As of December 31, 2021 and December 31, 2020

	2021	2020
Total Liquid and Semi-Liquid Assets	10,586,761	12,995,428
TOTAL ASSETS	10,586,766	12,995,431
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100.00%	100.00%

**iv. Total Operating Expenses to Total Net Worth**  
As of December 31, 2021 and December 31, 2020

	2021	2020
Total Operating Expenses	233,760	272,056
Average Daily Net Worth	11,685,686	13,673,557
Total Operating Expenses to Average Daily Net Worth	2.00%	1.99%

**v. Total Assets to Total Borrowings**

As of December 31, 2021 and December 31, 2020

	2021	2020
Total Assets	10,586,766	12,995,431
Total Borrowings	81,112	43,492
Total Assets to Total Borrowings	13052.03%	29880.05%

\*\* Figures not available

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**

**Additional Requirements for Issuers of Securities to the Public**  
**Required by the Securities and Exchange Commission**  
**As at December 31, 2021**

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C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<b>N.A.</b>
D. Intangible Assets - Other Assets	<b>N.A.</b>
E. Long-Term Debt	<b>N.A.</b>
F. Indebtedness to Related Parties	<b>3</b>
G. Guarantees of Securities of Other Issuers	<b>N.A.</b>
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**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE A - FINANCIAL ASSETS**

As at December 31, 2021

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Income Received and Accrued
Treasury Bonds and Notes Issued by the Nat'l. Government	8,250,000	\$8,656,691	\$183,370
<b>Mutual Funds:</b>			
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	2	541	
SCHRODER INTERNATIONAL SELECTION FUND GLO	1	32	
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,104,226	1,171,143	
	1,104,229	1,171,716	-
<b>TOTAL</b>	<b>9,354,229</b>	<b>\$9,828,407</b>	<b>\$183,370</b>

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

Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES**

As at December 31, 2021

Name of Related Party	Relationship	Balance at beginning of period	Balance at end of period
Sun Life Asset Management Company, Inc.	Fund Manager	\$18,473	\$15,078
<b>TOTAL</b>		<b>\$18,473</b>	<b>\$15,078</b>

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE H - CAPITAL STOCK**  
As at December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Share Capital						
Ordinary Shares	10,000,000	6,765,497	-	1	5	6,765,491
Treasury Shares	-	(3,477,378)	-	-	-	(3,477,378)
<b>TOTAL</b>	<b>10,000,000</b>	<b>3,288,119</b>	<b>-</b>	<b>1</b>	<b>5</b>	<b>3,288,113</b>

**COVER SHEET**

**C S 2 0 0 4 1 7 4 3 4**

SEC Identification Number

**S U N L I F E P R O S P E R I T Y D O L L A R**  
**A B U N D A N C E F U N D , I N C .**

(Company's Full Name)

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

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

**Anna Katrina C. Kabigting - Ibero**  
 (Contact Person)

**555-8888**  
 (Company Telephone Number)

**S E C F O R M I 7 - C**

**1 2**      **3 1**  
 Month      Day  
 (Fiscal Year)

(Form Type)

**4th Wednesday of June**  
 Month      Day  
 (Annual Meeting)

\_\_\_\_\_  
 (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

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 LCU

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STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 12 March 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 28 February 2021)
<u>Common (Unclassified)</u>	<u>3,875,104</u>

10. Indicate the item numbers reported herein:

**Item 9 (b) - Other Events.** During the regular meeting of the Board of Directors of the Issuer held on 09 March 2021 via Zoom Video Conference, where a quorum was present and acting throughout, the following were approved:

1. The 2020 Audited Financial Statements, as endorsed by its Audit and Compliance Committee;
2. Amended delegation of the power to amend the prospectus;
3. Amended delegation of the power to apply for increase in the authorized capital stock;
4. The holding of the Annual Stockholders' Meeting on 14 July 2021 through remote communications in accordance with SEC Memorandum No. 6, dated March 12, 2020, using Zoom's Video Conferencing facility. Attached herein as Annex A is the Internal Procedures for the conduct of the 2021 Annual Stockholders' Meeting;
5. The closing of the Issuer's Stock & Transfer Book on 30 April 2021 for the purpose of determining the stockholders entitled to notice of, to attend and vote at the annual stockholders' meeting; and
6. The Manual on Corporate Governance and the respective charters of the Board Committees, without any changes.

The Board of Directors was likewise informed that its Fund Manager, Sun Life Asset Management Company, Inc., had approved a fund management outsourcing arrangement to be entered into at a later time. The Board of Directors approved the necessary activities, such as access to the Corporation's pertinent accounts, in preparation for this arrangement.


Finally, the Audit and Compliance Committee, acting as the Independent Oversight Entity, approved the delegation of the power to suspend the redemption of shares/units of the Corporation.

**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 hereunto duly authorized.

**Sun Life Prosperity Dollar Abundance Fund, Inc.**  
Issuer

Date: **12 March 2021**

  
**Anna Katrina C. Kabigting-Libero, Corporate Secretary**  
Signature and Title



## Annex A: 2021 Annual Stockholders' Meeting Internal Procedures

1. **Date, Time and Venue of the Meeting.** The 2021 Sun Life Prosperity Funds Annual Stockholders' Meeting ("ASHM") will be held at 02:00 P.M. on Wednesday, 14 July 2021 via *Zoom Video Communications* ("Zoom"). Present during the said meeting will be the Board of Directors, Officers, and Stockholders of the Sun Life Prosperity Funds ("Funds").
2. **Notices of the Meeting.** The investors of the Funds as of 30 April 2021 ("Record Date") will be notified of the date, time, *Zoom* link, and other relevant information related to the ASHM no later than 14 June 2021 through electronic mail for investors with e-mail address/es on record. Notices of the Meeting will also be published in the website of Sun Life Asset Management ([www.sunlifefunds.com](http://www.sunlifefunds.com)), and in the business section of two (2) newspaper of general circulation, in print and online format, for two (2) consecutive dates prior to 14 June 2021.
3. **Registration.** Prior the ASHM, investors as of Record Date should pre-register using the link that will be provided through various communication channels. Client identification may be verified during the pre-registration process.
4. **Right to Vote.** The right to vote of investors as of the Record Date may be exercised in person, through proxy, or so when so authorized in the bylaws, through remote communication or *in absentia*. The Funds will accept votes from its stockholders by emailing [SunLifeFunds@sunlife.com](mailto:SunLifeFunds@sunlife.com) until Tuesday, 13 July 2021 (one business day prior to the ASHM). Investors who will decide to attend the ASHM via *Zoom* may also exercise their right to vote via the *Zoom* poll functionality available during the conduct of the ASHM.
5. **ASHM Conduct.** Suitable equipment and facilities will be available during the conduct of the ASHM. Participating investors will have the opportunity to read and hear the discussions substantially using *Zoom*. There will be both live and pre-recorded audio and visual presentations from the Officers and Directors of the Funds. Investors may be able to ask questions during the entire conduct of the ASHM. The audio and video of the ASHM via *Zoom* will be recorded, and this will be made available to clients after the meeting for thirty (30) days via the official Sun Life You Tube Channel.
6. **Quorum and Minutes of the Meeting.** The Corporate Secretary of the Funds will determine quorum in the meetings, as well as the voting results regarding the matters discussed in the ASHM. She will also be responsible for the preparation of the Minutes of the Meeting, and this will be forwarded to the stockholders for their approval in the next ASHM.
7. **Others.** Sun Life shall address any administrative, technical and logical issues as to the conduct of the said meeting. Should any stoppage or stoppage occur, the audio and visual recording shall start where it was interrupted, with the Chairman/Corporate Secretary acknowledging where in the agenda they left off.

**COVER SHEET**

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SEC Identification Number

**S U N L I F E P R O S P E R I T Y D O L L A R**  
**A B U N D A N C E F U N D , I N C .**

(Company's Full Name)

**S U N L I F E C E N T R E 5<sup>TH</sup> A V E .**  
**C O R . R I Z A L D R I V E , B O N I F A C I O**  
**G L O B A L C I T Y , T A G U I G C I T Y**

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

**FRANCES IANNA S. CANTO**  
 (Contact Person)

**555-8888**  
 (Company Telephone Number)

**SEC FORM 17-C**

**1 2**    **3 1**  
 Month    Day  
 (Fiscal Year)

(Form Type)

**4th Wednesday of June**  
 Month    Day  
 (Annual Meeting)

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 (Secondary License Type, If Applicable)

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 Dept. Requiring this Doc.

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 Amended Articles Number/Section

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 Total No. of Stockholders

Total Amount of Borrowings

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 Domestic                      Foreign

To be accomplished by SEC Personnel concerned

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 File Number

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 Document ID

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STAMPS



SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 19 July 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 30 June 2021)
<u>Common (Unclassified)</u>	<u>3,670,898</u>

10. Indicate the item numbers reported herein: **Items 4(b), 4(b)(i) and 9(b).**

A. During the Annual Stockholders' Meeting of the Issuer held on 14 July 2021 at 2:00 p.m. via Zoom Video Conference, during which 491,405 shares or 12.95% of the outstanding capital stock ("OCS") as of 30 April 2021 were present in person or by proxy, the following events transpired:

**Item 4(b). Election of Directors.** Due to the failure to meet the requirement that 50%+1 share of the OCS should be present in person or by proxy, no election of members of the Board of Directors could be held. The following shall continue to serve as directors until the continuation of the Annual Stockholders' Meeting on 10 September 2021, 10:00 a.m. via Zoom, and until their successors have been duly elected and qualified:

- Benedicto C. Sison
- Maria Josefina A. Castillo
- Cielito F. Habito (independent)
- Oscar M. Orbos (independent)
- Oscar S. Reyes (independent)

The independent directors will submit the required certification within 30 days from date of the annual stockholders' meeting.

**Item 9(b). Other Events.** The stockholders present or represented unanimously approved the following:

1. The minutes of the 2020 annual stockholders' meetings;
2. All acts and proceedings of the Board and Corporate Officers (confirmation and ratification thereof); and
3. Appointment of Navarro, Amper & Co. (Deloitte Touche Tohmatsu) as external auditor for 2021.

Due to the failure to meet the requirement that 2/3 of the OCS should be present in person or by proxy, the following items were not approved by the stockholders: (1) Amendment of Article III of the Articles of Incorporation on the principal office address; and (2) Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6).

The foregoing shall be resubmitted for approval in the continuation of the Annual Stockholders' Meeting on 10 September 2021, details of which have been stated above.

B. During the continuation of the Joint Regular Meeting of the Board of Directors immediately after the annual stockholders' meeting, the following events transpired:

**Item 4(b)(i).** The following were unanimously elected/appointed by the Board:

Chairman:	Benedicto C. Sison
President:	Maria Josefina A. Castillo
Treasurer:	Candy S. Esteban
Corporate Secretary:	Anna Katrina C. Kabigting-Ibero
Asst. Corp. Secretary:	Frances Ianna S. Canto
Compliance Officer:	Ma. Jemilyn S. Camania
Data Protection Officer:	Ma. Jemilyn S. Camania
Risk Officer:	Ria V. Mercado
Internal Auditor:	Joel O. Bungabong
Corporate Governance Committee:	Oscar M. Orbos (Chairman), Benedicto C. Sison and Oscar S. Reyes; and
Audit and Compliance Committee:	Oscar S. Reyes (Chairman), Oscar M. Orbos and Cielito F. Habito
Representatives to the Philippine Investment Funds Association, Inc.:	
Primary:	President/Maria Josefina A. Castillo
Alternate:	Any one (1) of the following: President (Sun Life Asset Management Company, Inc.) General Counsel (Sun Life Financial Philippines) Treasurer/Chief Financial Officer (SLAMC) Head (Bank and Alternative Distribution, SLAMC) Head (MF Agency Sales, SLAMC)

**Item 9 (b). Other Events.** The Board unanimously confirmed the continuation of the Management Agreement, Distribution Agreement and Transfer Agency Agreement with Sun Life Asset Management Company, Inc.

#### 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 hereunto duly authorized.

**Sun Life Prosperity Dollar Abundance Fund, Inc.**  
Issuer



**Frances Ianna S. Canto, Assistant Corporate Secretary**  
Signature and Title

Date: 19 July 2021

COVER SHEET

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SEC Identification Number

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

(Company's Full Name)

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

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

555-8888 loc. 5699

(Company Telephone Number)

SEC 17 C

1 2

Month

(Fiscal Year)

3 1

Day

(Form Type)

4th Wed. of June

Month Day

(Annual Meeting)

(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 ID

Cashier

STAMPS



SECURITIES AND EXCHANGE COMMISSION  
 SEC FORM 17-C  
 CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
 AND SRC RULE 17.2(c) THEREUNDER

1. 15 September 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 31 August 2021)
<u>Common (Unclassified)</u>	<u>3,616,130</u>

10. Indicate the item numbers reported herein: **Item 4 (b), and Item 9(b).**
- A. During the continuation of the Annual Stockholders' Meeting of the Issuer held on 10 September 2020 at 10:00 a.m. via Zoom Webinar, the following items transpired:

**Item 4(b). Election of Directors.** Due to the failure to meet the requirement that 50%+1 share of the OCS should be present in person or by proxy, no election of members of the Board of Directors could be held. The following shall continue to serve as directors in holdover capacity: Benedicto C. Sison, Maria Josefina A. Castillo, Cielito F. Habito (independent), Oscar M. Orbos (independent), and Oscar S. Reyes (independent).

**Item 9(b). Other Events.** Due to the failure to meet the requirement that 2/3 of the OCS should be present in person or by proxy, the following items were not approved by the stockholders:

1. Amendment of Article VI of the Articles of Incorporation to increase the number of directors to six (6);  
and
2. Amendment of Article III of the Articles of Incorporation on the principal office address.

The foregoing shall be carried over to the agenda of the next Annual Stockholders' Meeting for approval.

**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 hereunto duly authorized.

**Sun Life Prosperity Dollar Abundance Fund, Inc.**

Issuer

Date: 15 September 2021

  
**Anna Katrina C. Kabigang Ibero, Corporate Secretary**

Signature and Title

COVER SHEET

C S 2 0 0 4 1 7 4 3 4

SEC Identification Number

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

(Company's Full Name)

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

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

FRANCES IANNA S. CANTO
(Contact Person)

8555-8888
(Company Telephone Number)

SEC FORM 17-C

1 2 3 1
Month Day
(Fiscal Year)

(Form Type)

4th Wednesday of June
Month Day
(Annual Meeting)

(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 ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 13 October 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 30 September 2021)
<u>Common (Unclassified)</u>	<u>3,500,904</u>

10. Indicate the item numbers reported herein: **Item 4 (a). Resignation, Removal or Election of Registrant's Directors or Officers.**

Atty. Oscar M. Orbos has resigned as Independent Director of the Sun Life Prosperity Funds effective 08 October 2021 after his decision to run for election as a Congressman. The company is already in the process of searching for a replacement to fill in this vacancy in the Board of Directors

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 hereunto duly authorized.

Sun Life Prosperity Dollar Abundance Fund, Inc.  
Issuer

Date: 13 October 2021

  
Frances Ianna S. Canto, Assistant Corporate Secretary  
Signature and Title

COVER SHEET

C S 2 0 0 4 1 7 4 3 4

SEC Identification Number

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

(Company's Full Name)

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

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

555-8888 loc. 5699

(Company Telephone Number)

SEC 17 C

1 2

Month

(Fiscal Year)

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Day

(Form Type)

4th Wed. of June

Month Day

(Annual Meeting)

(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 ID

Cashier

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SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-C  
CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. 23 November 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 31 October 2021)
<u>Common (Unclassified)</u>	<u>3,390,217</u>

10. Indicate the item numbers reported herein: **Items 4 (b) (i).**

During the Special Meeting of the Board of Directors of the Issuer held on 19 November 2021 at 5:15 p.m. via Zoom Meeting Conference, where a quorum was present and acting throughout, the following matters were unanimously approved:

**Item 4 (b) (i). Resignation, Removal or Election of Registrant's Directors or Officers.**

1. Election of Mr. Cesar Luis F. Bate as replacement Independent Director, in lieu of Atty. Oscar M. Orbos, to serve the unexpired portion of the term of the latter, and until his successor is elected and qualified;
2. Appointment of Mr. Bate to the Corporate Governance Committee, in lieu of Atty. Oscar M. Orbos, to serve the unexpired portion of the term of the latter, and until his successor elected and qualified;
3. Appointment of Mr. Bate to the Audit and Compliance Committee, in lieu of Atty. Oscar M. Orbos., to serve the unexpired portion of the term of the latter, and until his successor is elected and qualified;
4. Resignation of Ms. Maria Josefina A. Castillo as Director and President effective 19 November 2021;
5. Election of Ms. Candy S. Esteban as replacement Director and President, to serve the unexpired portion of Ms. Castillo's term, and until her successor is elected and qualified; and
6. Appointment of Mr. Sherwin S. Sampang as Treasurer, to replace Ms. Esteban effective 19 November 2021.

Please refer to Annex "A" for a summary of their professional and business experience.

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Abundance Fund, Inc.  
Issuer

Issue

Date: 23 November 2021

Anna Katrina C. Kabigting Tbero, Corporate Secretary  
Signature and Title

**CESAR LUIS F. BATE**

7 Beaterio Street, Urdaneta Village, Makati City Philippines  
Telephone No (632) 8896 9675  
Office landline (632) 8864 0808  
Mobile No (63917) 5625 6021

**EXPERIENCE**

---

**Managing Director**  
**LMN Advisors/Partners Inc.**

Louie established the consultancy firm **LMN Advisors/Partners Inc.**, in October 2006 after being a stockbroker for 20 years. Prior to LMN, Louie was head of the Philippine operations of **Macquarie Securities Philippines** from 2004 to 2006. From 1995 to 2004, He was president of Dutch-owned **ING Securities Philippines** which was the country's largest stock brokerage house for four years under his ten-year tenure. He started his career as a stockbroker with the local house **A&A Securities** in 1987 and joined British-owned **Baring Securities** as Head of Philippine sales in 1992. Louie is presently a registered and authorized salesman of **A&A Securities, Inc.**, as such he actively advises high-net worth individuals and two institutions. He also handles discretionary accounts.

**Independent Director 2021**  
**RL Commercial REIT, Inc.**

**Director 1980 – present**  
**Acacia Lane, Inc.**

**Trustee 2007 – 2016**  
**Jose Rizal University**

**EDUCATION**

---

**1984 BS Management Engineering**  
**Ateneo de Manila University**

**FAMILY**

---

Born March 24, 1961  
Married September 2000 to Ana Melissa Tang Yao  
Has four boys ages 12 to 19

**OTHERS**

---

Collects Philippine Art

## **CANDY S. ESTEBAN**

### **Academic Background**

Candy is a Master of Business Administration (MBA) from INSEAD. She also holds a bachelor's degree in Management Engineering from the Ateneo De Manila University.

### **Professional Career**

Candy was the Head for Financial Planning and Analysis for the Sun Life group of companies where she led strategic and business planning, management reporting and expense management activities. She was also the Treasurer for Sun Life of Asset Management Company, Inc. (SLAMCI) and the 16 Sun Life Prosperity Funds (SLP Funds). In this role, Candy co-managed the day to day activities of treasury operations, as well as financial accounting and reporting for SLAMCI and the SLP Funds.

Before joining Sun Life, Candy held various positions in the Philippine business of Citigroup. From 2006 to 2014 – she led business planning and analysis functions for the Wealth Management business of Citibank Philippines covering the Deposits, Investments, Personal Loans and Insurance. Candy was also the Chief Financial Officer for Citibank Savings Incorporated (CSI) from 2011 to March 2014 where she covered the financial management of the legal vehicle CSI, including local regulatory, US GAAP reporting, and compliance to internal and external regulations. She was one of the key members in the sale and transition of CSI to a local Philippine bank in 2014.

Candy also held the position of Lead Finance Office at American Express Bank from 2004-2006 where she supported the Commercial Cards business for the Philippines, Thailand, Indonesia and Malaysia, and the Wealth Management business in the Philippines. Her first role after graduating from the Ateneo was as a Management Reporting Officer/Business Process Analyst for the financial reporting shared services division of Citigroup where she led automation and financial reporting for various countries in the Central and Eastern Europe, Middle East and Africa (CEEMEA), and Southeast Asia region.



SHERWIN S. SAMPANG

Mr. Sherwin S. Sampang is Sun Life PH's Head of Financial Planning & Analysis (October 2021 to present). Concurrently, Mr. Sampang is the Treasurer of Sun Life Financial Plans, Inc. (October 2017 to present). He joined Sun Life as Head of Finance Systems, Processes and Internal Controls (September 2016 to October 2018). He later assumed the role of Head of Accounting and Controllershship (November 2018 to September 2021).

Mr. Sampang has over 20 years of local and international experience in Finance and Audit. Prior to joining Sun Life, he was the Head of Finance of QBE Seaboard Insurance Philippines, Inc. His experience includes financial management leadership covering financial reporting, budgeting, forecasting, strategic planning, cost management, business process re-engineering, taxation and treasury. Prior to QBE Seaboard, he was a Director in the assurance practice of PwC Philippines and has acquired extensive international exposure from his 18-month secondment with Deloitte in Boston, MA, USA. He graduated with a degree in Bachelor of Science in Accountancy from Far Eastern University and attended the Management Development Program of the Asian Institute of Management. Mr. Sampang maintains active membership in the Philippine Institute of Certified Public Accountants (PICPA) and is currently a Board of Director of the Philippine Federation of Pre-Need Plan Companies, Inc.

COVER SHEET

C S 2 0 0 4 1 7 4 3 4

SEC Identification Number

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

(Company's Full Name)

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

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

Anna Katrina C. Kabigting-Ibero

(Contact Person)

555-8888 loc. 5699

(Company Telephone Number)

SEC 17 C

1 2

Month

(Fiscal Year)

3 1

Day

(Form Type)

4th Wed. of June

Month Day

(Annual Meeting)

(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 ID

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION  
 SEC FORM 17-C  
 CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE  
 AND SRC RULE 17.2(c) THEREUNDER

1. 17 December 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS200417434 3. BIR Tax Identification No. 234-718-559-000
4. Sun Life Prosperity Dollar Abundance Fund, Inc.  
Exact name of issuer as specified in its charter
5. Metro Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City, 1634  
Address of principal office Postal Code
8. (632) 8555-8888  
Issuer's telephone number, including area code
9. Securities registered pursuant to Sections 8 and 12 of the SRC 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 30 November 2021)
<u>Common (Unclassified)</u>	<u>3,332,744</u>

10. Indicate the item numbers reported herein: **Items 9 (b)**

During the Regular Meeting of the Board of Directors of the Issuer held on 14 December 2021 at 11:30 a.m. via Zoom Meeting Conference, where a quorum was present and acting throughout, the Board of Directors unanimously approved:

**Item 9 (b). Other events.** Amendment of Prospectus. (1) Approve, confirm, ratify the existing securities offered by the Sun Life Prosperity Funds, and authorize the filing of the individual Registration Statements and Prospectuses of the Funds, as amended, to the Securities and Exchange Commission; and (2) Approve the disclosures contained in the individual Registration Statements and Prospectus, and assume responsibility for the information contained therein.

**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 hereunto duly authorized.

Sun Life Prosperity Dollar Abundance Fund, Inc.  
Issuer



Anna Katrina C. Kabigting-Ibero, Corporate Secretary  
Signature and Title

Date: 17 December 2021



## Dynnple Rose F Apolinario

---

**From:** May F Quebrata  
**Sent:** Thursday, May 12, 2022 8:07 PM  
**To:** PHIL-FIN\_FAR2  
**Subject:** FW: Your BIR AFS eSubmission uploads were received

---

**From:** eafs@bir.gov.ph <eafs@bir.gov.ph>  
**Sent:** Thursday, May 12, 2022 7:41 PM  
**To:** May F Quebrata <May.Quebrata@sunlife.com>  
**Cc:** May F Quebrata <May.Quebrata@sunlife.com>  
**Subject:** Your BIR AFS eSubmission uploads were received

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

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Hi SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.,

### Valid files

- EAFS234718559AFSTY122021.pdf
- EAFS234718559ITRTY122021.pdf
- EAFS234718559RPTY122021.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-6AAED6KG0BH899ADLPNPQVWVWP0QT4XZSRN**  
Submission Date/Time: **May 12, 2022 07:40 PM**  
Company TIN: **234-718-559**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

The Management of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at December 31, 2021 and 2020, and for the years ended December 31, 2021, 2020 and 2019, in accordance with the Philippine Financial Reporting Standards and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Those charged with governance review and approve the financial statements including the schedules attached therein, and submits the same to the stockholders.

Navarro Amper & Co., the independent auditor appointed by the stockholders for the periods December 31, 2021 and 2020, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders has expressed its opinion on the fairness of presentation upon completion of such audit.

Handwritten signature of Benedicto C. Sison in cursive script.

**Benedicto C. Sison**, Chairman of the Board

Handwritten signature of Valerie N. Pama in cursive script.

**Valerie N. Pama**, President

Handwritten signature of Sherwin S. Sampang in cursive script.

**Sherwin S. Sampang**, Treasurer

Signed this 9th day of March 2022.

MAR 09 2022

MAKATI CITY

Subscribed and sworn to me before this \_\_\_ day of \_\_\_\_\_, 2022 at \_\_\_\_\_, affiants exhibiting to me competent evidence of identity, as follows:

Name	Government Issued ID	Date/Place Issued
Benedicto C. Sison	Passport ID P8268568B	24 Nov 2021/DFA Manila
Valerie N. Pama	Passport ID P7158454B	8 July 2021/DFA Manila
Sherwin S. Sampang	Passport ID P9427178A	06 Nov 2018/DFA NCR East

**WITNESS MY HAND AND SEAL** on the date and place above written:

Doc. No. 226  
Page No. 47  
Book No. 12  
Series of 2022.

**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Extended Until June 30, 2022  
P.O. Box 3735  
P.O. No. 886750-000-3, 2022 Makati City  
Appointment No. RA-133 (2020-2021)  
IBP No. 1001004 Jan. 3, 2018  
MCLE NO. VI-6023417 Ref. No. 27932  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Financial Reporting Standards (PFRS).

#### *Basis for Opinion*

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

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

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

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

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



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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



## Report on Other Legal and Regulatory Requirements

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 21 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

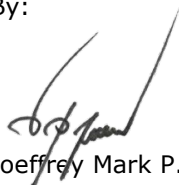
Navarro Amper & Co.

BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024

SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements

TIN 005299331

By:



Joe Jeffrey Mark P. Ferrer

Partner

CPA License No. 0115793

SEC A.N. 1767-A, issued on August 27, 2019; effective until August 26, 2022, Group A

TIN 211965340

BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until October 8, 2024

PTR No. A-5334284, issued on January 4, 2022, Taguig City

Taguig City, Philippines

April 29, 2022



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

(An Open-end Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

(In US Dollars)

		<b>December 31</b>	
	<b>Notes</b>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	\$ 677,319	\$ 118,992
Financial assets at fair value through profit or loss	7	9,828,407	12,850,649
Accrued interest receivable	7	81,035	25,787
Other current assets		5	3
		<b>\$10,586,766</b>	<b>\$12,995,431</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	9	\$ 66,034	\$ 25,019
Payable to fund manager	10	15,078	18,473
Total Current Liabilities		<b>81,112</b>	<b>43,492</b>
<b>Equity</b>			
Share capital	11	135,309	135,309
Additional paid-in capital	12	18,111,604	18,105,583
Retained earnings		3,078,408	3,218,934
		<b>21,325,321</b>	<b>21,459,826</b>
Treasury shares	11	<b>(10,819,667)</b>	<b>(8,507,887)</b>
Total Equity		<b>10,505,654</b>	<b>12,951,939</b>
		<b>\$10,586,766</b>	<b>\$12,995,431</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 3.1950</b>	<b>\$ 3.2236</b>

*See Notes to Financial Statements.*

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

(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Investment Income - net</b>				
Interest income	14	<b>\$187,182</b>	\$290,351	\$262,495
Net realized gains on investments	7	<b>102,567</b>	261,691	534,720
Other income		<b>14</b>	1,041	102
		<b>289,763</b>	553,083	797,317
<b>Investment Expenses</b>				
Commission	8	<b>300</b>	1,327	-
<b>Net Investment Income</b>		<b>289,463</b>	551,756	797,317
<b>Operating Expenses</b>				
Management fees	10	<b>116,386</b>	136,887	105,841
Distribution fees	10	<b>96,888</b>	113,917	88,054
Directors' fees	10	<b>10,167</b>	6,370	5,277
Professional fees		<b>3,510</b>	3,739	3,779
Custodian fees		<b>2,708</b>	4,237	4,651
Taxes and licenses		<b>1,936</b>	3,196	2,840
Printing and supplies		<b>59</b>	74	341
Others		<b>2,106</b>	3,636	4,916
		<b>233,760</b>	272,056	215,699
<b>Profit Before Net Unrealized Gain (Loss) on Investments</b>		<b>55,703</b>	279,700	581,618
<b>Net Unrealized Gains (Losses) on Investments</b>	7	<b>(196,095)</b>	(89,250)	469,790
<b>Profit (Loss) Before Tax</b>		<b>(140,392)</b>	190,450	1,051,408
<b>Income Tax Expense</b>	17	<b>134</b>	23	999
<b>Total Comprehensive Income (Loss) for the Period</b>		<b>(\$140,526)</b>	\$190,427	\$1,050,409
<b>Basic Earnings (Loss) Per Share</b>	15	<b>(\$0.039)</b>	\$0.045	\$0.304

*See Notes to Financial Statements.*



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

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY**

(In US Dollars)

For the Years Ended December 31

	Notes	Share Capital	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2019		\$135,309	\$17,679,599	\$1,978,098	(\$9,713,344)	\$10,079,662
Total comprehensive income for the year		-	-	1,050,409	-	1,050,409
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	53,589	-	1,399,081	1,452,670
Acquisition of treasury shares during the year	11	-	-	-	(1,332,484)	(1,332,484)
Total transactions with owners		-	53,589	-	66,597	120,186
Balance, December 31, 2019		135,309	17,733,188	3,028,507	(9,646,747)	11,250,257
Total comprehensive income for the year		-	-	190,427	-	190,427
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	372,395	-	5,197,139	5,569,534
Acquisition of treasury shares during the year	11	-	-	-	(4,058,279)	(4,058,279)
Total transactions with owners		-	372,395	-	1,138,860	1,511,255
Balance, Decembe 31, 2020		135,309	18,105,583	3,218,934	(8,507,887)	12,951,939
Total comprehensive loss for the year		-	-	(140,526)	-	(140,526)
Transactions with owners:						
Reissuance of treasury shares during the year	11, 12	-	6,021	-	213,670	219,691
Acquisition of treasury shares during the year	11	-	-	-	(2,525,450)	(2,525,450)
Total transactions with owners		-	6,021	-	(2,311,780)	(2,305,759)
<b>Balance, December 31, 2021</b>		<b>\$135,309</b>	<b>\$18,111,604</b>	<b>\$3,078,408</b>	<b>(\$10,819,667)</b>	<b>\$10,505,654</b>

See Notes to Financial Statements.

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

(An Open-end Investment Company)

**STATEMENTS OF CASH FLOWS**

(In US Dollars)

**For the Years Ended December 31**

	<b>Notes</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
<b>Cash Flows from Operating Activities</b>				
Profit (Loss) before tax		<b>(\$ 140,392)</b>	\$190,450	\$1,051,408
Adjustments for:				
Interest income	14	<b>(187,182)</b>	(290,351)	(262,495)
Net realized gains on investments	7	<b>(102,567)</b>	(261,691)	(534,720)
Net unrealized (gains) losses on investments	7	<b>196,095</b>	89,250	(469,790)
Operating cash flows before working capital changes		<b>(234,046)</b>	(272,342)	(215,597)
Decrease (Increase) in Other current assets		<b>(2)</b>	(3)	140
Increase (Decrease) in:				
Accrued expenses and other payables		<b>41,015</b>	15,904	5,680
Payable to fund manager		<b>(3,395)</b>	(403)	4,093
Cash used in operations		<b>(196,428)</b>	(256,844)	(205,684)
Acquisition of financial assets at fair value				
through profit or loss	7	<b>(33,743,045)</b>	(52,944,378)	(33,971,688)
Proceeds from disposal of financial assets at fair value				
through profit or loss	7	<b>36,671,759</b>	50,928,816	32,314,356
Interest received	14	<b>131,934</b>	344,906	285,448
Income taxes paid		<b>(134)</b>	(289)	(1,895)
Net cash generated from (used in) operating activities		<b>2,864,086</b>	(1,927,789)	(1,579,463)
<b>Cash Flows from Financing Activities</b>				
Payments on acquisition of treasury shares	11	<b>(2,525,450)</b>	(4,058,279)	(1,332,484)
Proceeds from reissuance of treasury shares	11	<b>219,691</b>	5,569,534	1,452,669
Net cash generated from (used in) financing activities		<b>(2,305,759)</b>	1,511,255	120,185
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>558,327</b>	(416,534)	(1,459,278)
<b>Cash and Cash Equivalents, Beginning</b>		<b>118,992</b>	535,526	1,994,804
<b>Cash and Cash Equivalents, End</b>		<b>\$ 677,319</b>	\$ 118,992	\$ 535,526

*See Notes to Financial Statements.*

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

(An Open-end Investment Company)

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## **NOTES TO FINANCIAL STATEMENTS**

**AS AT DECEMBER 31, 2021 AND 2020 AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019**

(In US Dollars)

### **1. CORPORATE INFORMATION**

Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 3, 2004 and started commercial operations on March 1, 2005. The Company is a registered open-end investment company under the Investment Company Act (Republic Act "R.A." No. 2629) and the Securities Regulation Code (R.A. No. 8799), formerly known as the Revised Securities Act (B.P. No. 178). It is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in United States Dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits. As an open-end investment company, its shares are redeemable anytime based on the Net Asset Value Per Share (NAVPS) at the time of redemption.

The Company appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCPI), as its fund manager, adviser, administrator, distributor and transfer agent and provider of management, distribution and all required operational services, as disclosed in Note 10.

The Company's registered office address and principal place of business is at Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

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

#### **Statement of Compliance**

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

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

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

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

#### **Functional and Presentation Currency**

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

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

#### **Adoption of New and Revised Accounting Standard Effective in 2021**

The Company adopted all accounting standards and interpretations effective as at December 31, 2021. The new and revised accounting standards and interpretations that have been published by the International Accounting Standards Board (IASB) and approved by the FRSC in the Philippines, were assessed to be applicable to the Company's financial statements and are as follows:

PIC Q&A No. 2020-07, PAS 12, Accounting for the Proposed Changes in Income Tax Rates under the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) Bill

The interpretation explained the details of the CREATE bill and its impact on the financial statements once passed.

Interpretation discussed that impact on the financial statements ending December 31, 2020 are as follows:

- Current and deferred taxes will still be measured using the applicable income tax rate as of December 31, 2020;
- If the CREATE bill is enacted before financial statements' issue date, this will be a non-adjusting event but the significant effects of changes in tax rates on current and deferred tax assets and liabilities should be disclosed; and
- If the CREATE bill is enacted after financial statements' issue date but before filing of the income tax return, this is no longer a subsequent event but companies may consider disclosing the general key feature of the bill and the expected impact on the financial statements

For the financial statements ending December 31, 2021, the impact are as follows:

- Standard provides that component of tax expense(income) may include "any adjustments recognized in the period for current tax of prior periods" and "the amount of deferred tax expense(income) relating to changes in tax rates or the imposition of new taxes";
- An explanation of changes in the applicable income tax rates to the previous accounting period is also required to be disclosed;
- The provision for current income tax for the year 2021 will include the difference between income tax per 2020 financial statements and 2020 income tax return;
- Deferred tax assets and liabilities as of December 31, 2021, will be remeasured using the new tax rates; and
- Any movement in deferred taxes arising from the change in tax rates that will form part of the provision for/benefit from deferred taxes will be included as well in the effective tax rate reconciliation.

The interpretation is effective on or after January 29, 2021.

The management assessed that CREATE bill had reduced income tax expense by \$3 and increase net income and net assets by the same amount. The increase was recorded in 2021 following the provisions of PIC Q&A 2020-07.

#### **New Accounting Standards Effective after the Reporting Period Ended December 31, 2021**

The Company will adopt the following standards when these become effective:

*PFRS 17, Insurance Contracts*

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes PFRS 4 Insurance Contracts.

PFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

An amendment issued on June 2020 and adopted by FRSC on August 2020 addresses concerns and implementation challenges that were identified after PFRS 17 was published.

PFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

The future adoption of the standard will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

#### *Amendments to PFRS 3, References to the Conceptual Framework*

The amendments update PFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to PFRS 3 a requirement that, for obligations within the scope of PAS 37, an acquirer applies PAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21, *Levies*, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

The amendments also add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process of and has no plan to enter into business combination.

#### *Amendments to PFRS 10 and PAS 28, Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*

The amendments to PFRS 10 and PAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the Board; however, earlier application of the amendments is permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company is not in the process and has no plan to acquire such investments.

#### *Amendments to PAS 1, Classification of Liabilities as Current or Non-current*

The amendments to PAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after January 1, 2025, with early application permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### *Amendments to PAS 16, Property, Plant and Equipment – Proceeds before Intended Use*

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with PAS 2, *Inventories*.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendment will have no effect on the Company's financial statements as the Company does not have property, plant and equipment recorded in its financial statements.

#### *Amendments to PAS 37, Onerous Contracts – Cost of Fulfilling a Contract*

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not issue and enter into onerous contracts.

#### *Annual Improvements to PFRS Standards 2018-2020 Cycle*

##### *Amendments to PFRS 1, Subsidiary as a first-time adopter*

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in PFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in PFRS 1:D16 (a).

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 9, Fees in the '10 per cent' test for derecognition of financial liabilities*

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.

##### *Amendments to PFRS 16, Lease Incentives*

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to PFRS 16 only regards an illustrative example, no effective date is stated.

#### Amendments to PAS 41, *Taxation in fair value measurements*

The amendment removes the requirement in PAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in PAS 41 with the requirements of PFRS 13, *Fair Value Measurement* to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

The amendments are effective for annual periods beginning on or after January 1, 2022, with early application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have subsidiary as first-time adopter; does not derecognize any liabilities, does not have lease contracts and leasehold improvements and does not have biological assets covered by PAS 41 that need to exclude its cash flows for taxation on its financial statements.

#### Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*

The amendments are as follows:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The amendments are applied prospectively. The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted.

The Company will continue its assessment and will finalize the same upon the effectivity of these amendments.

#### Amendments to PAS 8, *Definition of Accounting Estimates*

With the amendment, accounting estimates are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty."

The amendment clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognized as income or expense in the current period. The effect, if any, on future periods is recognized as income or expense in those future periods.

The amendments are effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted.



The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have changes in the inputs or measurement techniques used to develop its accounting estimates.

*Amendments to PAS 12, Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The Board also adds an illustrative example to PAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

The future adoption of the amendments will have no effect on the Company's financial statements as the Company does not have lease contracts and leasehold improvements and does not recognize deferred assets and liabilities.

*Amendment to PFRS 17, Initial Application of PFRS 17 and PFRS 9 – Comparative Information*

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17.

The main amendment in Initial Application of PFRS 17 and PFRS 9, Comparative Information (Amendment to PFRS 17) is a narrow-scope amendment to the transition requirements of PFRS 17 for entities that first apply PFRS 17 and PFRS 9 at the same time. The amendment regards financial assets for which comparative information is presented on initial application of PFRS 17 and PFRS 9, but where this information has not been restated for PFRS 9.

Under the amendment, an entity is permitted to present comparative information about a financial asset as if the classification and measurement requirements of PFRS 9 had been applied to that financial asset before. The option is available on an instrument-by-instrument basis. In applying the classification overlay to a financial asset, an entity is not required to apply the impairment requirements of PFRS 9.

There are no changes to the transition requirements in PFRS 9.

The amendment is effective for annual periods beginning on or after January 1, 2025, as amended by the FRSC from January 1, 2023. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB. Still subject to approval of the Board of Accountancy.

The future adoption of the amendment will have no effect on the Company's financial statements as the Company does not issue insurance contracts.

#### **4. SIGNIFICANT ACCOUNTING POLICIES**

##### **Financial assets**

##### **Initial Recognition and Measurement**

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

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

##### **Classification and Subsequent Measurement**

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

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

As at December 31, 2021 and 2020, the Company does not have financial assets classified as FVTOCI.

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, including investments in complex debt instruments and equity investments, 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 period in which it arises. Interest income from these financial assets is included in finance income.

The business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

### *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, 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.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

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. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

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

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

As at December 31, 2021 and 2020, the Company does not have financial assets at FVTOCI.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

With the exception of POCI financial assets, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's effective interest rate.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

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

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

#### *Significant increase in credit risk*

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

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

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

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

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

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

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

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

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

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

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

#### *Default*

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

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

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

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

#### *Credit-impaired financial assets*

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

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

#### *Write-off*

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

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

#### *Measurement and recognition of expected credit losses*

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

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

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

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

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

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

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

### Derecognition

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

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

### **Financial Liabilities and Equity Instruments**

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### 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 are classified as at FVTPL when the financial liability is (i) held for trading, or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

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



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

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

#### *Financial liabilities measured subsequently at amortized cost*

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

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

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

#### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

#### *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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. 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.

### **Provisions, Contingent Liabilities and Assets**

Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

If it is no longer probable that a transfer of economic benefits will be required to settle the obligation, the provision should be reversed.

### Contingent Liabilities and Assets

Contingent liabilities and assets are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized, but are disclosed only when an inflow of economic benefits is probable. When the realization of income is virtually certain, asset should be recognized.

### **Revenue Recognition**

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

### Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Realized gains or losses

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

### Fair value gains or losses

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

### Other income

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

### **Expense Recognition**

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or, (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

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 administrative and other business expenses of the Company including management fees and custodianship fees.

### **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. 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**

A related party transaction is a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged.

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, and 30% RCIT rate or 2% MCIT rate, whichever is higher, in 2021 and 2020, respectively.

### Final tax

Final tax expense represents final taxes withheld on interest income from cash in banks, special savings deposits 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.

### **Foreign Currency**

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

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

Exchange differences on monetary items are recognized in profit or loss.

### **Earnings (Loss) Per Share**

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

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

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

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

### **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.

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

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

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

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

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

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost or FVTOCI that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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

As at December 31, 2021 and 2020, the Company's financial assets measured at FVTPL amounted to \$9,828,407 and \$12,850,649, respectively, as disclosed in Note 7.

As at December 31, 2021 and 2020, the Company's financial assets measured at amortized cost amounted to \$758,354 and \$144,779, respectively, composed of cash and cash equivalents and accrued interest receivable, as disclosed in Note 6 and Note 7, respectively.

#### Significant increase of credit risk

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

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 disclosed in Note 19.

As at December 31, 2021 and 2020, the Company's financial instruments 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.

The Company's model and assumptions used in measuring the fair value of financial assets and estimating ECL are disclosed in Notes 16 and 19, respectively.

#### Functional currency

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

#### Puttable shares designated as equity instruments

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

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

- a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;
- b. it is in the class of instruments that is subordinate to all other classes of instruments;
- c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and
- e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at December 31, 2021 and 2020, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$135,309 as disclosed in Note 11.

### **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 December 31, 2021 and 2020, the Company assessed a nil probability of default for all of its financial assets measured at amortized cost.

The assumptions used by the Company in estimating PD is disclosed in Note 19.

#### 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. The categorization of LGD estimates per financial asset measured at amortized cost is disclosed in Note 19.

#### Estimating loss allowance for ECL

The measurement of the ECL for financial assets measured at amortized cost and FVTOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 19 Credit Risk – ECL measurement, which also sets out the key sensitivities of the ECL to changes in these elements.

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

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

The Company's ECL assessment on the financial assets measured at amortized cost is disclosed in Note 19.

### 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 deferred tax assets as at December 31, 2021 and 2020, as disclosed in Note 17.

### 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 use of accounting estimates and judgment. Since market interest rate is a significant component of fair value measurement, fair value would differ if the Company applied a different set of reference rates in the valuation methodology. Any change in the fair value of these financial assets would affect profit or loss and equity.

As at December 31, 2021 and 2020, carrying amounts of investments in debt securities classified as financial assets at FVTPL amounted to \$8,656,691 and \$9,638,706, respectively, as disclosed in Note 7.

## **6. CASH AND CASH EQUIVALENTS**

This account consists of cash in bank as of December 31, 2021 and 2020. Total interest earned from cash and cash equivalent amounted \$49, \$65 and \$345 at average interest rates of 0.01%, 0.02% and 0.15% in 2021, 2020 and 2019, respectively, as disclosed in Note 14.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies an investment as cash equivalent if that investment has a maturity of three months or less from the date of acquisition. As at December 31, 2019, the Company have disposed its cash equivalents.

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

This account consists of:

	<b>2021</b>	2020
Investments in fixed-income securities	<b>\$ 8,656,691</b>	\$ 9,638,706
Investments in global mutual funds	<b>1,171,716</b>	3,211,943
	<b>\$ 9,828,407</b>	\$12,850,649

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

Interest income earned on fixed-income securities amounted to \$187,133, \$290,286 and \$262,150 in 2021, 2020 and 2019, respectively, as disclosed in Note 14. Average interest rates earned on these investments are also disclosed in Note 14.

Accrued interest receivable amounted to \$81,035 and \$25,787 as at December 31, 2021 and 2020, respectively.



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

	<b>2021</b>	2020	2019
Net realized gains (losses) on investments in:			
Equity securities	<b>\$282,039</b>	(\$ 34,602)	\$ 169,630
Fixed-income securities	<b>( 179,472)</b>	296,293	365,090
	<b>102,567</b>	261,691	534,720
Net unrealized gains (losses) on investments in:			
Equity securities	<b>( 84,173)</b>	( 45,342)	127,154
Fixed-income securities	<b>( 111,922)</b>	( 43,908)	342,636
	<b>( 196,095)</b>	( 89,250)	469,790
	<b>(\$ 93,528)</b>	\$172,441	\$1,004,510

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

	<b>2021</b>	2020	2019
Balance, January 1	<b>\$ 12,850,649</b>	\$10,662,646	\$ 8,000,803
Additions	<b>33,743,046</b>	52,944,378	33,971,688
Disposals	<b>(36,569,193)</b>	(50,667,125)	(31,779,635)
Unrealized gains (losses)	<b>(196,095)</b>	(89,250)	469,790
Balance, December 31	<b>\$ 9,828,407</b>	\$12,850,649	\$ 10,662,646

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

	<b>2021</b>	2020
Due after one year through five years	<b>\$ 250,000</b>	\$ 550,000
Due after five years through ten years	<b>4,475,000</b>	-
Due after ten years	<b>3,525,000</b>	8,650,000
	<b>\$8,250,000</b>	\$9,200,000

## 8. DUE TO BROKERS

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

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

Commission expense amounting to \$300, \$1,327 and nil in 2021, 2020 and 2019, respectively, are paid to brokers when buying and selling shares of stock.

## 9. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2021	2020
Due to investors	<b>\$62,237</b>	\$19,846
Professional fees	<b>1,890</b>	2,545
Withholding and documentary stamp taxes	<b>1,494</b>	1,789
Custodianship fees	<b>413</b>	839
	<b>\$66,034</b>	\$25,019

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

## 10. RELATED PARTY TRANSACTIONS

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

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

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
SLAMCI-Fund Manager								
Management Distribution and Transfer fees	<b>\$ 213,274</b>	\$ 250,804	\$ 193,895	<b>\$ 15,078</b>	\$ 18,473	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before 15 <sup>th</sup> day of the following month	Unsecured; Unguaranteed	a
Key Management Personnel								
Directors' fees	<b>10,167</b>	6,370	5,277	-	-	Non-interest bearing; Payable on demand; Settled in cash	Unsecured; Unguaranteed	b
Entities Under Common Control								
Sun Life of Canada								
Philippines, Inc.								
Sale	<b>81,540</b>	1,375,917	-	-	-			
Purchase	<b>1,477,341</b>	2,157,005	1,000,000	-	-			
Sun Life Prosperity Dollar Starter Fund, Inc.								
Sale	-	2,044,140	900,000	-	-			
Purchase	-	1,332,177	-	-	-			
Grepalife Dollar Bond Fund, Inc.								
Purchase	-	-	500,000	-	-	Non-interest bearing; Settled in cash on the day of transaction	Unsecured; Unguaranteed	c

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

### a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.5% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day. Moreover, under the Transfer Agency Agreement, SLAMCI receives aggregate fees for these services at an annual rate of 0.15% (exclusive of VAT) of the net assets attributable to shareholders on each valuation day.

On September 22, 2020, the Company and SLAMCI amended its MDA and Transfer Agency Agreement based on the provisions of ICA 2018 IRR (Implementing Rules and Regulations of the Investment Company Act 2018) published by the SEC on January 11, 2018. The agreements shall remain in effect for a period of 2 years from July 31, 2020 and shall continue in effect from year to year as approved by the respective Board of Directors of the Company and SLAMCI.

Management, distribution, and transfer fees charged by SLAMCI to the Company in 2021, 2020 and 2019 amounted to \$213,274, \$250,804 and \$193,895, respectively. Accrued management fees as at December 31, 2021 and 2020 amounting to \$15,078 and \$18,473, respectively, are shown as "Payable to Fund Manager" in the statements of financial position.

#### b. Remuneration of Directors

Remuneration of the Directors is presented in the statements of comprehensive income under "Directors' Fees" amounting to \$10,167, \$6,370 and \$5,277 in 2021, 2020 and 2019, respectively, which are usually paid to directors based on the number of meetings held and attended. There were no accrued directors' fees as at December 31, 2021 and 2020.

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

#### c. Purchase and Sale of Investments

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

## 11. EQUITY

Movements are as follows:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P1.00 par value						
At January 1 and December 31	<b>10,000,000</b>	<b>P10,000,000</b>	10,000,000	P10,000,000	10,000,000	P10,000,000
Fully paid:						
At January 1 and December 31	<b>6,765,497</b>	<b>\$ 135,309</b>	6,765,497	\$ 135,309	6,765,497	\$ 135,309
Treasury Shares:						
At January 1	<b>2,747,668</b>	<b>\$ 8,507,887</b>	3,222,382	\$ 9,646,747	3,255,998	\$ 9,713,344
Acquisitions	<b>798,716</b>	<b>2,525,450</b>	1,261,329	4,058,279	435,368	1,332,484
Reissuance	<b>(69,006)</b>	<b>(213,670)</b>	(1,736,043)	(5,197,139)	(468,984)	(1,399,081)
At December 31	<b>3,477,378</b>	<b>\$10,819,667</b>	2,747,668	\$ 8,507,887	3,222,382	\$ 9,646,747

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

#### *Incorporation*

On November 3, 2004, the Company was incorporated with 2,000,000 authorized shares at par value of P1.00 per share.

### *Approved changes*

On March 11, 2011, the Board of Directors approved the increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00), which was approved by the shareholders on June 28, 2012.

On June 29, 2012, the Company submitted its application with the SEC for increase in authorized share capital of 8,000,000 shares (from 2,000,000 shares to 10,000,000 shares both with par value of P1.00).

### *Current state*

As at December 31, 2021, the Company has 3,288,119 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

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

Year	NAVPS,end	Subscriptions	Issuances	Redemptions	Balances
2010	\$2.53	-	1,064,417	(1,063,999)	1,999,489
2011	\$2.67	-	1,056,208	(1,056,031)	1,999,666
2012	\$2.96	-	191,590	(193,046)	1,998,210
2013	\$2.65	4,765,497	1,154,809	(1,161,917)	6,756,599
2014	\$2.81	-	313,283	(1,196,540)	5,873,342
2015	\$2.85	-	587,618	(696,791)	5,764,169
2016	\$2.90	-	1,022,403	(780,960)	6,005,612
2017	\$3.01	-	307,005	(1,850,737)	4,461,880
2018	\$2.87	-	67,311	(1,019,692)	3,509,499
2019	\$3.18	-	468,984	(435,368)	3,543,115
2020	\$3.22	-	1,736,043	(1,261,329)	4,017,829
2021	\$3.20	-	69,006	(798,716)	3,288,119

The total number of shareholders as at December 31, 2021, 2020 and 2019 is 2,510, 2,485 and 2,340, respectively.

### *Redeemable shares*

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

a. Distribution of dividends

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

b. Denial of pre-emptive rights

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

c. Right of redemption

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

## **12. ADDITIONAL PAID-IN CAPITAL**

Additional paid-in capital of \$18,111,604, \$18,105,583 and \$17,733,188 as at December 31, 2021, 2020, respectively, pertains to excess payments over par value from investors and from reissuance of treasury shares.

### 13. NET ASSET VALUE PER SHARE (NAVPS)

NAVPS is computed as follows:

	Note	2021	2020
Total equity		<b>\$10,505,654</b>	\$ 12,951,939
Outstanding shares	11	<b>3,288,119</b>	4,017,829
NAVPS		<b>\$ 3.1950</b>	\$ 3.2236

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

### 14. INTEREST INCOME

This account consists of interest income on the following:

	Notes	2021	2020	2019
Fixed-income securities	7	<b>\$187,133</b>	\$290,286	\$262,150
Cash in banks	6	<b>49</b>	65	199
Cash equivalents	6	-	-	146
		<b>\$187,182</b>	\$290,351	\$262,495

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

Average interest rates of investments and cash and cash equivalents in 2021, 2020 and 2019 are as follows:

	2021	2020	2019
Fixed-income securities	<b>3.30%</b>	4.83%	3.55%
Cash in banks	<b>0.01%</b>	0.02%	0.03%
Cash equivalents	-	-	0.53%

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

	Notes	2021	2020	2019
Financial assets at FVTPL	7	<b>\$187,133</b>	\$290,286	\$262,150
Cash and cash equivalents	6	<b>49</b>	65	345
		<b>\$187,182</b>	\$290,351	\$262,495

### 15. EARNINGS (LOSS) PER SHARE

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

	2021	2020	2019
Total comprehensive income (loss) for the year	<b>(\$ 140,526)</b>	\$ 190,427	\$1,050,409
Weighted average number of shares: Issued and outstanding	<b>3,610,622</b>	4,260,531	3,458,933
Basic and diluted earnings (loss) per share	<b>(\$ 0.039)</b>	\$ 0.045	\$ 0.304

As at December 31, 2021, 2020 and 2019, the Company has no dilutive potential ordinary shares.

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	Note	Level 1
<b>December 31, 2021</b>		
Investments in fixed-income securities	7	\$ 8,656,691
Investments in global mutual funds	7	1,171,716
		<b>\$ 9,828,407</b>
<b>December 31, 2020</b>		
Investments in fixed-income securities	7	\$ 9,638,706
Investments in global mutual funds	7	3,211,943
		<b>\$12,850,649</b>

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

The fair values of investments in global mutual funds are based on published NAVPS of the mutual fund as at December 31, 2021 and 2020.

Total unrealized gain or loss on investments relating to financial assets that are measured at fair value at the end of the reporting period are presented separately in the statements of comprehensive income and disclosed in Note 7.

*Financial asset 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	Fair Values		
			Level 1	Level 2	Total
<b>December 31, 2021</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$677,319	\$677,319	\$ -	\$677,319
Accrued interest receivable	7	81,035	-	81,035	81,035
		<b>\$758,354</b>	<b>\$677,319</b>	<b>\$81,035</b>	<b>\$758,354</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 64,540	\$ -	\$ 64,540	\$ 64,540
Payable to fund manager	10	15,078	-	15,078	15,078
		<b>\$ 79,618</b>	<b>\$ -</b>	<b>\$ 79,618</b>	<b>\$ 79,618</b>
<b>December 31, 2020</b>					
<b>Financial Assets</b>					
Cash in banks	6	\$118,992	\$118,992	\$ -	\$118,992
Accrued interest receivable	7	25,787	-	25,787	25,787
		<b>\$144,779</b>	<b>\$118,992</b>	<b>\$25,787</b>	<b>\$144,779</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 23,230	\$ -	\$23,230	\$ 23,230
Payable to fund manager	10	18,473	-	18,473	18,473
		<b>\$ 41,703</b>	<b>\$ -</b>	<b>\$41,703</b>	<b>\$ 41,703</b>

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

Cash in banks, accrued interest receivable, accrued expenses and other payables and payable to fund manager, have short-term maturities, hence, their carrying amounts approximate their fair values.

There were no transfers between Level 1 and 2 in 2021 and 2020.

## 17. INCOME TAXES

Details of tax expense during the year are as follows:

	2021	2020	2019
Final tax	\$ 6	\$10	\$ 50
MCIT	131	13	949
Effects of change in tax rate	(3)	-	-
	<b>\$134</b>	<b>\$23</b>	<b>\$999</b>

The reconciliation between tax expense and the product of accounting profit (loss) multiplied by 25% in 2021 and 30% in 2020 and 2019 is as follows:

	2021	2020	2019
Accounting profit (loss)	<b>(\$140,392)</b>	\$190,450	\$1,051,408
Tax expense (benefit) at 25% in 2021 and 30% in 2020 and 2019	<b>(\$ 35,098)</b>	\$ 57,135	\$ 315,422
Adjustment for income subject to lower tax rate	6	(10)	50
Tax effects:			
Unrecognized Net Operating Loss Carry-Over (NOLCO)	<b>52,685</b>	81,703	47,901
Net unrealized loss (gains) on investments	<b>49,024</b>	26,775	(140,937)
Interest income from fixed-income securities	<b>(40,969)</b>	(87,086)	(61,970)
Net realized loss on investments	<b>(25,642)</b>	(78,507)	(160,416)
Unrecognized MCIT	131	13	949
Changes in current tax expense due to the change in income tax rate	<b>(3)</b>	-	-
	<b>\$ 134</b>	<b>\$ 23</b>	<b>\$ 999</b>

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

Among others, the Act includes the following significant revisions:

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

The tax rate used in the reconciliations above is the corporate tax rate of 25% in 2021 and 30% in 2020 and 2019 payable by the Company.

Details of the Company's NOLCO are as follows (in Philippine Peso):

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2018	2021	P 8,735,579	P -	P8,735,579	P -
2019	2022	8,105,456	-	-	<b>8,105,456</b>
		P16,841,035	P -	P8,735,579	<b>P8,105,456</b>

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

Year of Incurrence	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2020	2025	P13,089,767	P -	P -	<b>P13,089,767</b>
2021	2026	-	10,742,210	-	<b>10,742,210</b>
		P13,089,767	P10,742,210	P -	<b>P23,831,977</b>

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

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

Year Incurred	Year of Expiry	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied
2018	2021	P 61,503	P -	P -	P61,503	P -
2019	2022	48,181	-	-	-	48,181
2020	2023	610	-	-	-	610
2021	2024	6,669	-	-	-	6,669
		P116,963	P -	P -	P61,503	P55,460

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

The Company's interest income arising from cash in banks are already subjected to final tax while interest income arising from fixed-income securities are tax-exempt and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

## 18. CONTINGENCIES

The Company has no pending legal cases as at December 31, 2021 and 2020 that may have a material effect on the Company's financial position and results of operations.

## 19. FINANCIAL RISK MANAGEMENT

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



### Market risk

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

### *Interest rate risk*

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

The primary source of the Company's interest rate risk relates to cash in banks and fixed-income securities. Interest rates of the financial assets are disclosed in Note 14.

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

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

The following table details the increase or decrease in net profit after tax if interest rates had been 50 basis points higher or lower and all other variables are held constant for the years ended 2021, 2020, and 2019:

<b>Change in Interest rates</b>	<b>Increase (Decrease) in Net Profit or Loss</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
+50 basis	<b>(\$404,031)</b>	(\$430,551)	(\$400,523)
-50 basis	<b>435,854</b>	457,196	439,043

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

### *Equity price risk*

The Company is exposed to equity price risks arising from investments in global mutual funds. The risk is managed by the Fund Manager by actively monitoring the movements in NAVPU of investments in global mutual funds.

Based on the exposure to equity price risk at the end of each reporting period, if NAVPU of investments in global mutual funds had been 2% higher or lower, profit or loss would have increased or decreased by \$23,001, \$63,052 and \$60,977 in 2021, 2020 and 2019, respectively.

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

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

## Credit risk

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

The carrying amounts of financial assets recorded in the financial statements represent the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained are as follows:

	<b>Notes</b>	<b>2021</b>	<b>2020</b>
Cash in banks	6	<b>\$ 677,319</b>	\$ 118,992
Financial assets at FVTPL	7	<b>8,656,691</b>	9,638,706
Accrued interest receivable	7	<b>81,035</b>	25,787
		<b>\$9,415,045</b>	\$9,783,485

### *ECL measurement*

In 2021 and 2020, ECLs are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition. The Company's current credit risk grading framework comprises the following categories:

<b>Category</b>	<b>Description</b>	<b>Basis for recognizing expected credit losses</b>
Stage 1	The counterparty has a low risk of default and does not have any past-due amounts or that the financial instrument is not credit-impaired on initial recognition	12m ECL
Stage 2	There has been a significant increase in credit risk since initial recognition but not yet deemed to be credit-impaired	Lifetime ECL - not credit-impaired
Stage 3	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery or that the financial instrument is credit-impaired	Lifetime ECL - credit-impaired

### *Measuring ECL – Explanation of inputs, assumptions and estimation techniques*

The ECL is determined by projecting the PD, LGD and exposure at default (EAD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

Given that the Company currently has no history of default on their portfolio, a model which incorporates internal default experience is not feasible. For the 12M and Lifetime PD, the Company uses external benchmarking of current internal credit ratings to Standard and Poor’s using one-year transition matrices in S&P’s Annual Global Corporate Default Study and Rating Transition reports. From the transition matrices, cumulative PDs are identified. The overall PD for a specific time horizon is calculated from the cumulative PD, by determining the marginal PD and taking the conditional probability of default given that it has not yet defaulted prior to the said time horizon. The resulting overall PDs are the values that will act as components in ECL calculation.

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

<b>Summary rating</b>	<b>Internal credit rating</b>	<b>S&amp;P rating</b>
High	AAA	AAA
High	AAA	AA
High	AAA	A
High	AAA	BBB
Satisfactory	AA	BB
Acceptable	B	B
Low	CCC/C	CCC/C

The 12M and lifetime EADs are determined based on the contractual repayments owed by the borrower over the 12month or lifetime basis. This will also be adjusted for any expected overpayments made by the borrower. The Company does not have an undrawn component for any of its debt instruments.

For the 12M and lifetime LGDs, considering the availability of related information, the Company use the external estimates sourced from Standard and Poor’s.

*Forward-looking information incorporated in the ECL models*

The assessment of significant increase of credit risk and the calculation of ECL both incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and ECLs for each portfolio. The Company assessed that the key economic variables are unemployment rates for 2021 and 2020.

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgment has also been applied in this process. Forecasts of these economic variables (the “base economic scenario”) are based on the economic data from the International Monetary Fund (IMF) from year 2021 until 2025. The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of EAD and LGD.

In addition to the base economic scenario, the best value economically spanning from the historical years is taken (upside forecasts). A similar approach applies for the downside forecasts. The scenario weightings are determined by a combination of statistical analysis and expert credit judgment, taking account of the range of possible outcomes each chosen scenario is representative of. The per-scenario Forward Looking Adjustments were assigned probability weights of 70% for the base scenario and 15% for each of the upside and downside forecast in 2021 and 50% for the base scenario, and 25% for each of the upside and downside forecast in 2020.

As with any economic forecasts, the projections and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analyzed the non-linearities and asymmetries within the Company’s different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

The following table details the credit quality of the Company's financial assets and other items, as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2021 and 2020:

	Notes	Internal credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
<b>2021</b>							
Cash and cash equivalents	6	AAA	Stage 1	12-month ECL	\$677,319	\$ -	\$677,319
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	81,035	-	81,035
					<b>\$758,354</b>	<b>\$ -</b>	<b>\$758,354</b>
<b>2020</b>							
Cash and cash equivalents	6	AAA	Stage 1	12-month ECL	\$ 118,992	\$ -	\$ 118,992
Accrued interest receivable	7	AAA	Stage 1	12-month ECL	25,787	-	25,787
					<b>\$ 144,779</b>	<b>\$ -</b>	<b>\$ 144,779</b>

### Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

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

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

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

	Less than One Month	One Month to One Year	Total
<b>2021</b>			
Accrued expenses and other payables	\$62,237	\$2,303	\$64,540
Payable to fund manager	15,078	-	15,078
	<b>\$77,315</b>	<b>\$2,303</b>	<b>\$79,618</b>
<b>2020</b>			
Accrued expenses and other payables	\$ 19,846	\$3,384	\$ 23,230
Payable to fund manager	18,473	-	18,473
	<b>\$ 38,319</b>	<b>\$3,384</b>	<b>\$ 41,703</b>

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

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

	Average Effective Interest Rate	Less than One Year	One to Five Years	Five to Ten Years	More than Ten Years	Total
<b>2021</b>						
Cash and cash equivalents	0.01%	\$677,319	\$ -	\$ -	\$ -	\$ 677,319
Financial assets at FVTPL	3.30%	231,384	1,174,752	5,324,962	5,280,667	12,011,765
Accrued interest receivable		81,035	-	-	-	81,035
		<b>\$989,738</b>	<b>\$1,174,752</b>	<b>\$5,324,962</b>	<b>\$5,280,667</b>	<b>\$12,770,119</b>
<b>2020</b>						
Cash and cash equivalents	0.02%	\$ 118,992	\$ -	\$ -	\$ -	\$ 118,992
Financial assets at FVTPL	4.83%	211,418	1,349,400	764,900	9,570,495	11,896,213
Accrued interest receivable		25,787	-	-	-	25,787
		<b>\$356,197</b>	<b>\$1,349,400</b>	<b>\$ 764,900</b>	<b>\$ 9,570,495</b>	<b>\$12,040,992</b>

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

## 20. CAPITAL RISK MANAGEMENT

The Fund Manager manages the Company's capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high quality financial instruments.

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 custodian banks.

The capital structure of the Company consists of issued capital as disclosed in Note 11.

The Fund Manager manages the Company's capital and NAVPS, as disclosed in Notes 11, 12 and 13 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 directly in real estate properties and developments;
- 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; and

- i. It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- a. Investment Objective - to provide regular returns through investments in a diversified portfolio of US Dollar-denominated fixed income instruments issued by the Philippine government, other major economies, or corporations operating therein or through diversified investment companies invested in such.
- b. Benchmark - 95% Bloomberg Barclays EM Asia USD Credit Philippines Index and 5% 30-day US Dollar Deposit Rate.
- c. Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management and distribution fees each set at an annual rate of 1.5% 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 at December 31, 2021 and 2020, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

The equity ratio at year-end is as follows:

	<b>2021</b>	2020
Total equity	<b>\$10,505,654</b>	\$12,951,939
Total assets	<b>10,586,766</b>	12,995,431
Equity ratio	<b>0.9923:1</b>	0.9967:1

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

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

The following information on taxes, duties and license fees paid or accrued during the 2021 taxable year is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

### *Documentary stamp tax*

Documentary stamp taxes incurred by the Company during 2021 amounted to P731 representing taxes paid relative to the issuance of the Company's stock certificates to its shareholders. The documentary stamp tax being paid by the Company to the BIR includes those charged against the shareholder's investment for stock certificate issuances in excess of ten (10) inter-fund transfers per calendar year.

### *Other taxes and licenses*

Details of other taxes and licenses and permit fees paid or accrued in 2021 are as follows:

<b>Charged to Operating Expenses</b>	
Business tax	<b>P49,375</b>
Filing and registration fees	<b>33,084</b>
Residence or community tax	<b>10,500</b>
	<b>P92,959</b>

*Withholding taxes*

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

	<b>Paid</b>	<b>Accrued</b>	<b>Total</b>
Expanded withholding taxes	<b>P830,129</b>	<b>P76,495</b>	<b>P906,624</b>

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2021.

**23. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements of the Company were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 9, 2022.

The Board of Directors approved the issuance of the financial statements also on March 9, 2022.

\* \* \*

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited the financial statements of Sun Life Prosperity Dollar Abundance Fund, Inc. (the "Company") as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, in accordance with Philippine Standards on Auditing on which we have rendered an unqualified opinion dated April 29, 2022.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on the attached schedule showing the reconciliation of the retained earnings available for dividend declaration and other supplementary information shown in schedules A-H, as required by the Securities and Exchange Commission under the SRC Rule 68, as Revised, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.  
BOA Registration No. 0004, valid from June 7, 2021 to September 22, 2024  
SEC A.N. 0004-SEC, issued on December 7, 2021; Group A, valid to audit 2021 to 2025 financial statements  
TIN 005299331

By:



Jeffrey Mark P. Ferrer  
Partner  
CPA License No. 0115793  
SEC A.N. 1767-A, issued on August 27, 2019; effective until August 26, 2022, Group A  
TIN 211965340  
BIR A.N. 08-002552-058-2021, issued on September 8, 2021; effective until October 8, 2024  
PTR No. A-5334284, issued on January 4, 2022, Taguig City

Taguig City, Philippines  
April 29, 2022





**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DECLARATION**

As at December 31, 2021

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

2nd Floor, Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City

Items	Amount
<b>Unappropriated Retained Earnings, beginning</b>	<b>\$ 3,218,934</b>
<b>Adjustments:</b>	
Accumulated unrealized fair value gains as at December 31, 2019	(209,668)
Treasury shares as of December 31, 2019	(8,507,887)
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>	<b>\$ (5,498,621)</b>
<b>Net gain based on the face of AFS</b>	<b>(140,526)</b>
<b>Adjustments for non-actual (gains) losses</b>	
Effect of movements in accumulated unrealized gains during the year	196,095
<b>Net Income Actual/Realized</b>	<b>55,569</b>
<b>Add: Treasury shares reissued during the year</b>	<b>(2,311,780)</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>\$ (7,754,832)</b>

## SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2021 and December 31, 2020

	Formula	2021	2020
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	130.52:1	298.80:1
b. Quick ratio	Quick Assets/Current Liabilities	130.52:1	298.80:1
c. Cash ratio	Cash/Current Liabilities	8.35:1	2.74:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A
e. Working capital ratio	(Current Assets-Current Liabilities)/Current Liabilities	129.52:1	297.80:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	36.26:1	23.42:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	16304.05:1	17196.29:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	N/A	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	0.008:1	0.003:1
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	N/A	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.008:1	0.003:1
Asset to equity ratio	Total Assets/Total Equity	1.01:1	1.00:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	-48.45%	34.43%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	-48.45%	34.43%
c. Pre-tax margin	EBIT/Revenue	-48.45%	34.43%
d. Effective tax rate	Income Tax/EBIT	-0.10%	0.01%
e. Post-tax margin	Net Income After Tax/Revenue	-48.50%	34.43%
f. Return on equity	Net Income After Tax/Average Common Equity	-1.20%	1.57%
g. Return on asset	NIAT/Average Total Assets	-1.19%	1.57%
Capital intensity ratio	Total Assets/Revenue	36.54:1	23.50:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**Schedule Required under SRC Rule 68**

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

As of December 31, 2021 and December 31, 2020

	2021			2020		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Treasury Notes (ISIN)</b>						
BSNZPM 8.6 06/15/97	276,348	10,505,654	2.63%	276,348	12,951,939	2.13%
PHILIP 10 5/8 03/16/25	-	-	-	780,588	12,951,939	6.03%
PHILIP 1.648 06/10/31	1,233,105	10,505,654	11.74%	8,581,770	12,951,939	66.26%
PHILIP 3.7 02/02/42	1,210,425	10,505,654	11.52%	-	-	-
PHILIP 3 3/4 01/14/29	900,430	10,505,654	8.57%	-	-	-
PHILIP 1.95 01/06/32	1,179,426	10,505,654	11.23%	-	-	-
PHILIP 2.457 05/05/30	1,237,418	10,505,654	11.78%	-	-	-
PHILIP 3 02/01/28	1,287,364	10,505,654	12.25%	-	-	-
PHILIP 3.2 07/06/46	1,083,336	10,505,654	10.31%	-	-	-
RPGGB 1 3/8 10/08/26	248,837	10,505,654	2.37%	-	-	-

**Mutual Funds**

MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	541	10,505,654	0.01%	701,222	12,951,939	5.41%
SCHRODER INTERNATIONAL SELECTION FUND GLOBAL HIGH YIELD C ACCUMULATION USD	32	10,505,654	0.00%	710,284	12,951,939	5.48%
NOM FI I USD US HIGH YIELD	-	-	-	1,800,438	12,951,939	13.90%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,171,143	10,505,654	11.15%	-	-	-

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

As of December 31, 2021 and December 31, 2020

	2021			2020		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
<b>Treasury Notes (ISIN)</b>						
BSNZPM 8.6 06/15/97	150,000	**	-	150,000	**	-
PHILIP 10 5/8 03/16/25	-	**	-	550,000	**	-
PHILIP 1.648 06/10/31	1,275,000	**	-	8,500,000	**	-
PHILIP 3.7 02/02/42	1,110,000	**	-	-	-	-
PHILIP 3 3/4 01/14/29	800,000	**	-	-	-	-
PHILIP 1.95 01/06/32	1,200,000	**	-	-	-	-
PHILIP 2.457 05/05/30	1,200,000	**	-	-	-	-
PHILIP 3 02/01/28	1,200,000	**	-	-	-	-
PHILIP 3.2 07/06/46	1,065,000	**	-	-	-	-
RPGGB 1 3/8 10/08/26	250,000	56,770,200,000	0.00%	-	-	-

**Mutual Funds**

MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	2	1,341,448	0.00%	2,989	**	-
SCHRODER INTERNATIONAL SELECTION FUND GLOBAL HIGH YIELD C ACCUMULATION USD	1	40,600,946	0.00%	12,694	56,260,000	0.02%
NOM FI I USD US HIGH YIELD	-	-	-	5,305	347,590,000	0.00%
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,104,226	175,080,242	0.63%	-	-	-

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

As of December 31, 2021 and December 31, 2020

	2021	2020
Total Liquid and Semi-Liquid Assets	10,586,761	12,995,428
TOTAL ASSETS	10,586,766	12,995,431
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100.00%	100.00%

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

As of December 31, 2021 and December 31, 2020

	2021	2020
Total Operating Expenses	233,760	272,056
Average Daily Net Worth	11,685,686	13,673,557
Total Operating Expenses to Average Daily Net Worth	2.00%	1.99%

**v. Total Assets to Total Borrowings**

As of December 31, 2021 and December 31, 2020

	2021	2020
Total Assets	10,586,766	12,995,431
Total Borrowings	81,112	43,492
Total Assets to Total Borrowings	13052.03%	29880.05%

\*\* Figures not available

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
**Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City**

**Additional Requirements for Issuers of Securities to the Public**  
**Required by the Securities and Exchange Commission**  
**As at December 31, 2021**

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D. Intangible Assets - Other Assets	<b>N.A.</b>
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**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE A - FINANCIAL ASSETS**

As at December 31, 2021

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Income Received and Accrued
Treasury Bonds and Notes Issued by the Nat'l. Government	8,250,000	\$8,656,691	\$183,370
<b>Mutual Funds:</b>			
MFS MERIDIAN FUNDS-GLOBAL HIGH YIELD FUND	2	541	
SCHRODER INTERNATIONAL SELECTION FUND GLO	1	32	
SUN LIFE PROSPERITY DOLLAR STARTER FUND, INC.	1,104,226	1,171,143	
	1,104,229	1,171,716	-
<b>TOTAL</b>	<b>9,354,229</b>	<b>\$9,828,407</b>	<b>\$183,370</b>

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

Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES**

As at December 31, 2021

Name of Related Party	Relationship	Balance at beginning of period	Balance at end of period
Sun Life Asset Management Company, Inc.	Fund Manager	\$18,473	\$15,078
<b>TOTAL</b>		<b>\$18,473</b>	<b>\$15,078</b>

**SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.**  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE H - CAPITAL STOCK**  
As at December 31, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares reserved for options, warrants, conversion and other rights	Number of Shares Held By		
				Related parties	Directors, Officers and Employees	Others
Share Capital						
Ordinary Shares	10,000,000	6,765,497	-	1	5	6,765,491
Treasury Shares	-	(3,477,378)	-	-	-	(3,477,378)
<b>TOTAL</b>	<b>10,000,000</b>	<b>3,288,119</b>	<b>-</b>	<b>1</b>	<b>5</b>	<b>3,288,113</b>