



SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

NOTICE OF ANNUAL SHAREHOLDERS' MEETING

To all shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of Sun Life Prosperity World Equity Index Feeder, Inc. shall be held on 13 July 2022 (Wednesday) at 11:00 a.m. via Zoom at <https://sunlife.zoom.us/j/1233795378>, 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' Meeting
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
12. Adjournment

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.

The Board of Directors has, in accordance with the By-Laws, 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 2022 (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 World Equity Index Feeder Fund, Inc.

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

4. SEC Identification Number: CS201725847

5. BIR Tax Identification Code: 009-766-502-00000

6. Address of Principal Office: 8<sup>th</sup> 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), 11:00 a.m.  
via Zoom at <https://sunlife.zoom.us/j/1233795378>  
to be hosted from 6F 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 (shares) 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 Outstanding
Common Shares, PHP0.01 par value	50,000,000 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 World Equity Index Feeder Fund, Inc. (the "Company") will be held on 13 July 2022 at 11:00 a.m. via Zoom at <https://sunlife.zoom.us/j/1233795378> to be hosted from 6F Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City 1634. The principal office of the Company is located at 8<sup>th</sup> Sun Life Centre, 5<sup>th</sup> 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 50,000,000 shares outstanding 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 six (6) members to the Board of Directors. Each shareholder may vote such number of shares for as many as six (6) 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 six (6) 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 six (6).

d. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Beneficial Owners. Holders of more than 5%, 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 listed 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	0.00%
Common	Valerie N. Pama	1	B & R	Filipino	0.00%
Common	Aleli Angela G. Quirino	1	B & R	Filipino	0.00%
Common	Oscar S. Reyes	1	B & R	Filipino	0.00%
Common	Cesar Luis F. Bate	1	B & R	Filipino	0.00%
Common	Gerald L. Bautista	1	B & R	Filipino	0.00%

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, Atty. Aleli Angela G. Quirino, Mr. Oscar S. Reyes, 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 of Atty. Quirino 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:

<u>Name</u>	<u>Citizenship</u>	<u>Position</u>	<u>Age</u>	<u>Term of Office</u>	<u>Period Served</u>
Benedicto C. Sison	Filipino and American	Director/President Director/Chairman	61	January 2018 – June 2018 2017 - present	4 terms
Valerie N. Pama	Filipino	Director/President	58	March 2022 – present	
Aleli Angela G. Quirino	Filipino	Independent Director	78	2018-present	4 terms
Oscar S. Reyes	Filipino	Independent Director	76	2018-present	4 terms

<sup>1</sup> Number of shares held in their capacity as Director or Chairperson

Cesar Luis F. Bate	Filipino	Independent Director	61	November 2021 – present	
Gerald L. Bautista	Filipino	Director	44	September 2020 – 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	45	2017-present	5 terms

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

#### BENEDICTO C. SISON

Chairman (July 2018 to present)

Director (2017 to June 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.

ALELI ANGELA G. QUIRINO  
Independent Director – (2018 to present)

Atty. Aleli Angela G. Quirino, 78 years old, is an Independent Director of Sun Life of Canada Prosperity Balanced Fund, Inc. (2009 to present); Sun Life Prosperity Dynamic Fund, Inc. (2012 to present); Sun Life Prosperity Dollar Starter Fund, Inc. (2017 to present); 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.; 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. (2018 to present). She is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present).

Atty. Quirino is currently an Of Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She is the Chairman of First Line Healthcare Diagnostics Center, Inc. (2021 to present). She also serves as Director of ELC Beauty, Inc./Estee Lauder Phils. (2002 to present), among others. She also serves as a Director of Neo Pacific Property Management Corporation (2007 to present). She is the Vice-Chairman (2015 to present) of the Board of Trustees and Past President (2009 to 2015) of the Ateneo de Manila Law Alumni Association, Inc., and is a Trustee and Corporate Secretary of the Assumption College, Inc. (1996 to present). She is an Advisory Council Member for AIPPI of the Intellectual Property Association of the Philippines, Inc. (2012 to present). She is the Trustee-Treasurer (1998 to present) of the Intellectual Property Foundation, Inc. She is a Philippine Councillor of the Asian Patent Attorney Association (2004 to present). She is also the Past President of the ASEAN Intellectual Property Association (2017 to 2019) and the ASEAN Philippine Intellectual Property Association, Inc. (2015 to 2017). She is an EXCO member of the Association Internationale de la Propriete Intellectuelle (2004 to present).

Atty. Quirino received her Bachelor of Arts and Bachelor of Science in Education (magna cum laude) from Assumption College and Bachelor of Laws (with honors) from the Ateneo de Manila University.

OSCAR S. REYES  
Independent Director (2018 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.

#### GERALD L. BAUTISTA

Director (September 2020 to present)

Mr. Gerald L. Bautista, 44 years old, is the President and the Head of Distribution of Sun Life Asset Management Company, Inc. (October 2020 to present). He is also a Director of the Sun Life Prosperity Peso Starter Fund, 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 to present). He joined the company in 2008 and has been instrumental for the growth and expansion of the bank, brokerage and online channel business for Sun Life Asset Management. He took on the role as Head of the Agency channel in 2019; wherein he institutionalized sales growth strategies, risk policies and distribution channel management practices.



Mr. Bautista has been in the mutual fund industry for two decades now. Prior to joining the financial sector, he had a short stint with the government under the Foreign Service Institute, Dept. of Foreign Affairs as a research assistant. Thereafter, he joined the asset management industry as a Business Development Officer and subsequently handled Institutional Sales for Philam Asset Management, Inc. After his post-graduate program, he moved to the banking industry with Standard Chartered Bank handling Trust Marketing functions and was promoted as Product Manager handling various financial instruments, including - mutual funds, structured notes, time deposits and bancassurance products. In 2008, Sun Life Asset Management hired him to further develop and expand its distribution channels.

Mr. Bautista is a graduate of De La Salle University, Manila with a Bachelor of Arts degree in Political Science. He took his higher education at Oxford Brookes University Business School in Oxford, United Kingdom where he obtained a Master's degree in Business Administration focusing on Global Marketing Strategy (with Merit). He is a Certified Investment Solicitor (CIS) with the Securities & Exchange Commission.

#### 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 & Controllorship (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 (April 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 (2017 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 of Atty. Quirino 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 Ms. Valerie N. Pama
- 2.2 Mr. Benedicto C. Sison
- 2.3 Mr. Gerald L. Bautista
- 2.4 Atty. Aleli Angela G. Quirino
- 2.5 Mr. Oscar S. Reyes
- 2.6 Mr. Cesar Luis F. Bate

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: Rizalina G. Mantaring, Benedicto C. Sison, Valerie N. Pama, Aleli Angela G. Quirino, and Oscar M. Orbos.

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 Fund's executive officers and directors who are officers and/or employees of SLOCPI and/or SLAMCI do not receive any form of compensation as such from the time of their appointments up to the present.

The Fund's directors who are not officers and/or employees of SLOCPI and/or SLAMCI (i.e., "Independent Directors") receive a per diem for their attendance at regular or special meetings of the Board at the rate of PHP 20,000.00 per meeting per Independent Director (the Fund has three [3] Independent Directors). There are no other forms of compensation which such Independent Directors are entitled to receive for meetings attended, other than said per diem and a retainer's fee not to exceed PHP 15,000.00 per quarter. Payment of such retainer's fee shall be shared by the Fund with the other Sun Life Prosperity Funds which the Independent Director also serves, provided that each Independent Director shall receive only a maximum of PHP 15,000.00 per quarter from all the Sun Life Prosperity Funds combined. There are no standard arrangements, employment contracts, termination of employment, change-in-control or other arrangements with the directors. Such remuneration to be paid for by the Fund may be adjusted in the future as may be warranted by existing fund levels and other factors.

Total per diem received by the Fund's directors for the year 2021 and 2020 are PHP 395,262 and PHP 314,616, respectively.

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 for the year 2022. The external directors are also forecasted to receive a total of PHP 15,455 as retainer's fees for 2022.

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

Item 7. Independent Public Accountants. Navarro Amper and Co./Deloitte Touche Tohmatsu served as the Company's principal accountants and external auditors since its incorporation. 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. The audit fees for 2021 and 2020 amounted to PHP 125,117 and PHP 356,837, respectively. Prior year's fees include Interim and yearend Audit of the financial statements of the Fund in relation to statutory and regulatory filings.

There are no other assurance and related services rendered by the external auditor for the last two fiscal years that are reasonably related to the performance of the audit of the Fund's financial statements

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: Atty. Quirino, as Chairman and Mr. Bate and Mr. Reyes 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 held on 14 July 2021. 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. No action is to be taken with respect to amendment of the Company's charter, by-laws, or other documents.

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 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 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 her 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 courier, 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 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 PHP1,000,000.00 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 SLAMCI owns 1.82% of the Company's outstanding capital stock. Mr. Gerald L. Bautista, President of Sun Life Asset Management Company, Inc.. ("SLAMCI"), has the power to vote of the shares or direct the voting of the shares.

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 WORLD EQUITY INDEX FEEDER 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 World Equity Index Feeder Fund, Inc.  
Issuer



ATTY. ANNA KATRINA C. KABIGTING-IBERO  
Corporate Secretary

Date: 10 June 2022



# Annex “A”

## ANNEX TO THE AGENDA

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.

### 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. Change in Cash/Liquidity and Peso Bond Benchmarks
5. Approval of the 2021 Audited Financial Statements
6. Approval of Manual on Corporate Governance
7. Approval of Board Committee Charters
8. Reduction in Minimum Initial and Subsequent Investment Amounts of Sun Life Prosperity Funds<sup>1</sup>
9. 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 World Equity Index Feeder Fund

(DRAFT) MINUTES OF THE JOINT ANNUAL STOCKHOLDERS' MEETING

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.

Held on 14 July 2021 from 11:23am a.m. to 11:41a.m.  
via Zoom Conference

**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  
EDGAR S. TORDESILLAS  
SHERWIN S. SAMPANG  
ANNA KATRINA C KABIGTING-IBERO  
FRANCES IANNA S. CANTO  
MARIA JUNIFER L. MALIGLIG

**1. CALL TO ORDER**

Mr. Benedicto C. Sison, Chairman, called to order the Joint Annual Stockholders' Meeting of the Sun Life Prosperity Achiever Fund 2028, Inc. ("Achiever Fund 2028"), Sun Life Prosperity Achiever Fund 2038, Inc. ("Achiever Fund 2038"), Sun Life Prosperity Achiever Fund 2048, Inc. ("Achiever Fund 2048"), and Sun Life Prosperity World Equity Index Feeder Fund, Inc. ("WEIFF"), 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 to said stockholders of record.

### 3. CERTIFICATION OF QUORUM

The Chairman then directed the Corporate Secretary to do a roll call. In response, each attendee stated for the record the following information: (a) his/her full name and position; (b) his/her location; (c) confirmation that he/she can clearly hear and see the other attendees; (d) confirmation that he/she received the Notice of the Meeting including the agenda and materials; and (e) the device being used to attend the meeting.

The Corporate Secretary, thereafter, confirmed and noted the respective declarations of the participants, and certified the existence of a quorum, there being present and represented by proxy at least two-thirds (2/3) of the issued and outstanding capital stock of the Corporation as of 30 April 2021. The attendance is set forth in Annex "A" of the minutes.

Stockholders have dialed into the meeting because of current travel restrictions. However, in view of recent regulations under the Revised Corporation Code of the Philippines allowing attendance to stockholders' meetings via remote communication, the stockholders may choose to continue attending meetings via videoconferencing, teleconferencing, or other alternative modes of communication despite the lifting of travel restrictions. The Secretary reported the attendance based on the Attendance Sheet as well as the proxies received before the meeting.

### 4. CHAIRMAN'S ADDRESS

The Chairman, Mr. Benedicto C. Sison, welcomed the stockholders to the Sun Life Prosperity Funds' annual meeting. In his message, Mr. Sison emphasized how 2020 was both memorable and challenging as the Company strived to keep its clients as the top priority. He shared that Sun Life's focus for 2020 was to deliver the best service possible notwithstanding the unusual circumstances brought about by the pandemic.

According to Mr. Sison, Sun Life's foresight in implementing the Online Payment Page, Auto-Invest Program, Bills Payment Program and SLAMCI Online paid off during the pandemic. These digital capabilities were complemented with constant communications with clients through monthly webinars and regular newsletters shared via email. Thus, in 2020, Sun Life Asset Management and Company, Inc.'s (SLAMCI) assets under management grew to Php127billion representing an almost 60% year-on-year growth, which is double than the mutual fund industry growth rate.

Focusing on the four (4) unitized funds, Mr. Sison reported that while the three (3) Achiever Funds remained challenged in terms of providing returns as the local equities market continued to struggle, the launch of the World Equity Index Feeder Fund (WEIFF) in July 2020 seemed almost serendipitous. Through the WEIFF, Mr. Sison stated that investors were able to capitalize and take advantage of the faster recovery of the global equities market. As a result, WEIFF already grew to more than Php2.5billion as of its first anniversary with a one-year investment return of 30.52%.

In ending his address, 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 presented a review of the Funds' performance in 2020.

7. **ELECTION OF DIRECTORS FOR THE TERM 2021 TO 2022**

The Corporate Secretary explained the election process and nomination criteria. She added that details on these have been circulated to the stockholders via the SEC Form 20-IS that was sent to them prior to the annual meeting.

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

**SUN LIFE PROSPERITY ACHIEVER FUND 2028, INC.**

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

**SUN LIFE PROSPERITY ACHIEVER FUND 2038, INC.**

1. Benedicto C. Sison
2. Maria Josefina A. Castillo
3. Aleli Angela G. Quirino (independent)
4. Oscar S. Reyes (independent)
5. Cielito F. Habito (independent)

**SUN LIFE PROSPERITY ACHIEVER FUND 2048, INC.**

1. Benedicto C. Sison
2. Maria Josefina A. Castillo
3. Aleli Angela G. Quirino (independent)
4. Oscar S. Reyes (independent)
5. Cielito F. Habito (independent)

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

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

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

After discussion, upon motion made and duly seconded, the stockholders present or represented by proxy during the meeting unanimously approved the minutes of the meetings held on 22 July 2020.

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

After discussion, upon motion made and duly seconded, the stockholders present or represented by proxy during the meeting unanimously approved /ratified all acts and proceedings of the Board of Directors and Corporate Officers in relation to the management and administration of the Fund.

**10. APPOINTMENT OF EXTERNAL AUDITOR**

After discussion, upon motion made and duly seconded, the stockholders present or represented by proxy during the meeting unanimously approved the appointment of Navarro Amper and Co./Deloitte Touche Tohmatsu as the Funds' external auditor for 2021.

**11. OTHER MATTERS and 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 11:41 a.m.

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

ATTESTED TO BY:

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

**MA. JOS  
EFINA A. CASTILLO**  
*President*  
Sun Life Prosperity Funds\*

**GERALD L. BAUTISTA**  
*Director*  
Sun Life Prosperity World Equity Index Feeder  
Fund, Inc.

**ALELI ANGELA G. QUIRINO**  
*Independent Director*  
Sun Life Prosperity Funds\*

**OSCAR M. ORBOS**  
*Independent Director*  
Sun Life Prosperity Achiever Fund 2028, Inc.  
Sun Life Prosperity World Equity Index Feeder  
Fund, Inc.

**OSCAR S. REYES**  
*Independent Director*  
Sun Life Prosperity Funds\*

**CIELITO F. HABITO**  
*Independent Director*  
Sun Life Prosperity Achiever Fund 2038, Inc.  
Sun Life Prosperity Achiever Fund 2048, Inc.

DRAFT

## Annex "A"

Stockholders Present:

No. of Shares Represented:

**Sun Life Prosperity Achiever Fund 2028, Inc.**

SUN LIFE ASSET MANAGEMENT COMPANY, INC.

(by proxy, Mr. Gerald L. Bautista)

49,999,995

BENEDICTO C. SISON

1

MA. JOSEFINA A. CASTILLO

1

OSCAR M. ORBOS

1

ALELI ANGELA G. QUIRINO

1

OSCAR S. REYES

1

**Total**

50,000,000

**Sun Life Prosperity Achiever Fund 2038, Inc.**

SUN LIFE ASSET MANAGEMENT COMPANY, INC.

(by proxy, Mr. Gerald L. Bautista)

49,999,995

BENEDICTO C. SISON

1

MA. JOSEFINA A. CASTILLO

1

CIELITO F. HABITO

1

ALELI ANGELA G. QUIRINO

1

OSCAR S. REYES

1

**Total**

50,000,000

**Sun Life Prosperity Achiever Fund 2048, Inc.**

SUN LIFE ASSET MANAGEMENT COMPANY, INC.

(by proxy, Mr. Gerald L. Bautista)

49,999,995

BENEDICTO C. SISON

1

MA. JOSEFINA A. CASTILLO

1

ALELI ANGELA G. QUIRINO

1

CIELITO F. HABITO

1

OSCAR S. REYES

1

**Total**

50,000,000

**Sun Life Prosperity World Equity Index Feeder Fund, Inc.**

SUN LIFE ASSET MANAGEMENT COMPANY, INC.

(by proxy, Mr. Gerald L. Bautista)

49,999,994

BENEDICTO C. SISON

1

MA. JOSEFINA A. CASTILLO

1

OSCAR S. REYES

1

OSCAR M. ORBOS

1

ALELI ANGELA G. QUIRINO

1

GERALD L. BAUTISTA

1

50,000,000

## 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 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.

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 \_\_\_\_\_.

---

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*):

- 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.

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

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

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

For	Against	
<input type="checkbox"/>	<input type="checkbox"/>	Approval of the Minutes of 2021 Joint Annual <b>Stockholders'</b> Meetings ( <i>held on 14 July 2021</i> )
<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

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 of the nominees below.

#### SUN LIFE PROSPERITY ACHIEVER FUND 2028, INC.

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

#### SUN LIFE PROSPERITY ACHIEVER FUND 2038, INC.

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

#### SUN LIFE PROSPERITY ACHIEVER FUND 2048, INC.

- Benedicto C. Sison
- Valerie N. Pama
- Aleli Angela G. Quirino
- Oscar S. Reyes
- Cielito F. Habito

#### SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.

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

**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

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:

- 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.

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.

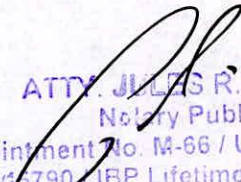
Done on the date and place written below.

  
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, **ALELI ANGELA G. QUIRINO**, Filipino, of legal age and a resident of No. 404 Guevarra Avenue, San Juan City, Metro Manila, 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 Philippine Equity Fund, Inc.
- o Sun Life Prosperity Dollar Starter Fund, Inc.
- o Sun Life Prosperity GS 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 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 listed below:

<b>Company/Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Grepalife Balanced Fund Corporation	Independent Director	2011 to present
Grepalife Dollar Bond Fund Corporation	Independent Director	2011 to present
Grepalife Fixed Income Fund Corporation	Independent Director	2011 to present
ACCRA Law Offices	Of Counsel	2010 to present
ELC Beauty, Inc. /Estee Lauder Phils.	Director & Treasurer	2002 to present
Neo Pacific Property Management Corporation	Director	2007 to present
Ateneo de Manila Law Alumni Association, Inc.	Vice Chairman and Trustee	2013 to present
Asian Patent Attorney Association	Philippine Councillor	2007 to present
Intellectual Property Association of the Philippines	Advisory Council Member	2012 to present
Association Internationale pour la Protection de la Propriete Intellectuelle	ExCom member	2004 to present
Intellectual Property Foundation, Inc.	Trustee & Treasurer	1998 to present
Assumption College, Inc.	Trustee & Corporate Secretary	1996 to present
First Line Healthcare Diagnostics Center, Inc.	Chairman	2021 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 Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Starter 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., 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. (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 of the directors/officers/substantial shareholders 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. 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 Covered Companies of any changes in the abovementioned information within five days from its occurrence.

Done on the date and place written below.

*Aleli Angela G. Quirino*

**ALELI ANGELA G. QUIRINO**  
Affiant

**MAY 23 2022**

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of May 2022 at **MAKATI CITY**, affiant personally appeared before me and exhibited to me her Passport with no. P6899837B with expiry date on 01 June 2031 issued at DFA Manila.

Doc. No. 294 ;  
Page No. 80 ;  
Book No. 31 ;  
Series of 2022.

**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Extended Until June 30, 2022  
Per B. No. 3795  
PTR No. 88525- Jan. 3, 2022 Makati City  
Appointment No. M-133 (2020-2021)  
IBP No. 1062634- Jan. 3, 2018  
MCLE NO. VI-0023417 Roll No. 27932  
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 World Equity Index Feeder Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS201725847 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 World Equity Index Feeder 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 World Equity Index Feeder 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 day of 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. Me1  
Page No. 74  
Book No. 70  
Series of 2022.

**ATTY. GERVASIO 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

# COVER SHEET

**CS201725847**

S.E.C. Registration Number

S	U	N		L	I	F	E		P	R	O	S	P	E	R	I	T	Y		W	O	R	L	D					
E	Q	U	I	T	Y		I	N	D	E	X		F	E	E	D	E	R		F	U	N	D	,		I	N	C	.

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

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

<b>Merobhe T. Esmele</b>
Contact Person

<b>8555-8888</b>
Company Telephone Number

1	2	3	1
Month		Day	
Fiscal Year			

<b>SEC FORM 17-Q</b>
FORM TYPE

Month	Day
Annual Meeting	

Mutual Fund Company
Secondary License Type, If Applicable

Dept. Requiring this Doc.		

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings		
Domestic		Foreign

To be accomplished by SEC Personnel concerned

File Number									

\_\_\_\_\_

LCU

Document I.D.									

\_\_\_\_\_

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number: CS201725847  
File Number: \_\_\_\_\_

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**  
(Company's Full Name)

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

-----  
(Company's Address)

**8555-88-88**

-----  
(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: CS201725847
3. BIR Tax Identification No: 009-766-502-00000
4. Exact name of issuer as specified in its charter

Sun Life Prosperity World Equity Index Feeder 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:  
8F 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 / Units Outstanding and Amount of Debt Outstanding
<u>Common Shares (Unclassified)</u>	<u>50,000,000 shares</u>
	<u>2,769,900,226.15 units</u>
	<u>(as of March 31, 2022)</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 [ ]

ITEM 1. FINANCIAL STATEMENTS

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 AS AT MARCH 31, 2022 AND DECEMBER 31, 2021

		2022 (Unaudited)		2021 (Audited)	
	Notes	Shareholders	Unit Holders	Shareholders	Unit Holders
<b>ASSETS</b>					
Cash in banks	4	P49,263,738	P 250,653,201	P49,263,738	P215,335,446
Financial assets at fair value through profit or loss	5	-	3,537,859,479	-	3,644,640,467
Due from brokers	8	-	8,043,326	-	-
Prepayments and other current assets	6	-	182,552	-	80,498.00
		P49,263,738	P3,796,738,558	P49,263,738	P3,860,056,411
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Accrued expenses and other payables	7	P -	P 23,219,327	P -	P 15,192,087
Payable to fund manager	9	-	3,978,104	-	4,190,387
Due to brokers	8	-	12,227,668	-	(0)
Total Current Liabilities		-	39,425,099	-	19,382,474
<b>EQUITY</b>					
Net assets attributable to shareholders	10	49,263,738	-	49,263,738	-
Net assets attributable to unit holders	10	-	3,757,313,459	-	3,840,673,937
Total Equity		49,263,738	3,757,313,459	49,263,738	3,840,673,937
		P49,263,738	P3,796,738,558	P49,263,738	P3,860,056,411
<b>Net Asset Value Per Share / Unit</b>	11	<b>P0.9853</b>	<b>P1.3679</b>	<b>P0.9853</b>	<b>P1.3982</b>
<b>Total Equity</b>		<b>P49,263,738</b>	<b>P3,757,313,459</b>	<b>P49,263,738</b>	<b>P3,840,673,937</b>
Capital Stock - Php 0.01 par value					
Authorized - 200,000,000 shares					
Authorized - 100,000,000,000 units					
Issued and Fully Paid Shares / Units	10	50,000,000	2,769,900,226.15	50,000,000	2,746,782,392.53
<b>NET ASSET VALUE PER SHARE / UNITS</b>		<b>P 0.9853</b>	<b>P 1.3565</b>	<b>P 0.9853</b>	<b>P 1.3982</b>

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021

	Notes		2022		2021	
			Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Investment Income - net</b>						
Interest income	12	P	-	P 66,337	P15,698	P 8,536
Net realized gain (loss) on investments	5		-	24,007,114	-	1,019,401
Foreign exchange gain - net			-	2,307,492	-	8,970,597
			-	26,380,943	15,698	9,998,534
<b>Investment Expenses</b>						
Commission			-	349,256	-	390,104
			-	349,256	-	390,104
<b>Net Investment Income (Loss)</b>			-	26,031,687	15,698	9,608,430
<b>Operating Expenses</b>						
Management fees	9		-	6,572,787	-	1,853,660
Distribution fees	9		-	5,055,990	-	1,425,892
Custodian fees			-	138,223	-	33,779
Directors' fees	9		-	63,864	-	82,193
Professional fees			-	36,401	-	32,687
Taxes and licenses			-	26,138	-	5,538
Printing and supplies			-	1,950	-	44
Miscellaneous			-	106,471	-	61,170
			-	12,001,824	-	3,494,963
<b>Profit (Loss) Before Net Unrealized Gains</b>						
on Investments			-	14,029,863	15,698	6,113,467
<b>Net Unrealized Gains on Investments</b>	5		-	(6,841,365)	-	40,459,958
<b>Profit (Loss) before tax</b>			-	7,188,498	15,698	46,573,425
<b>Provision for income tax</b>			-	13,145	3,140	1,687
<b>Profit (Loss) attributable to Shareholders</b>			-	-	12,558	
<b>Profit attributable to Unit Holders</b>			-	7,175,353		46,571,738
<b>Total Comprehensive Income (Loss) for the Year</b>		P	-	P7,175,353	P12,558	P46,571,738
<b>Basic Earnings (Loss) per Share / Unit</b>	11	P	-	P0.003	P0.000	P0.048

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
 STATEMENTS OF CHANGES IN EQUITY  
 FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021

Shareholders					
	Notes	Capital Stock	Additional Paid-in Capital	Deficit	Total
Balance, January 1, 2022	10	P 500,000	P 49,500,000	P (736,262)	P 49,263,738
Total comprehensive income		-	-	-	-
<b>Balance, March 31, 2022</b>	<b>10</b>	<b>P 500,000</b>	<b>P 49,500,000</b>	<b>P (736,262)</b>	<b>P 49,263,738</b>
Balance, January 1, 2021	10	P 500,000	P 49,500,000	P (786,594)	P 49,213,406
Total comprehensive income		-	-	12,558	12,558
<b>Balance, March 31, 2021</b>	<b>10</b>	<b>P 500,000</b>	<b>P 49,500,000</b>	<b>P (774,036)</b>	<b>P 49,225,964</b>

Unit Holders				
	Notes	Principal	Retained Earnings	Total
Balance, January 1, 2022	10	P3,330,188,335	P510,485,602	P3,840,673,937
Total Comprehensive Income for the Period		-	7,175,353	7,175,353
Transactions with owners:				
Contributions	10	542,357,557	-	542,357,557
Withdrawals	10	(632,893,388)	-	(632,893,388)
Total Transactions with owners		(90,535,831)	-	(90,535,831)
<b>Balance, March 31, 2022</b>	<b>10</b>	<b>P3,239,652,504</b>	<b>P517,660,955</b>	<b>P3,757,313,460</b>
Balance, January 1, 2021	10	P 549,497,407	P45,625,142	P 595,122,549
Total Comprehensive Income for the Period			46,571,738	46,571,738
Transactions with owners:				
Contributions	10	859,594,020	-	859,594,020
Withdrawals	10	(49,501,645)	-	(49,501,645)
Total Transactions with owners		810,092,375	-	810,092,375
<b>Balance, March 31, 2021</b>	<b>10</b>	<b>P1,359,589,782</b>	<b>P92,196,880</b>	<b>P1,451,786,662</b>

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE PERIOD ENDED MARCH 31, 2022 AND MARCH 31, 2021

	Notes	2022 (Unaudited)		2021 (Unaudited)	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Cash Flows from Operating Activities</b>					
Profit (Loss) before tax		P 0	P 7,188,498	P 15,698	P 46,573,425
Adjustments for:					
Net unrealized gains on investments	5	-	6,841,365	-	(40,459,958)
Net realized (gains) losses on investments	5	-	(24,007,114)	-	(1,019,401)
Interest income	12	-	(66,337)	(15,698)	(8,536)
Operating cash flows before working capital changes		-	(10,043,588)	-	5,085,530
Increase in:					
Prepayments and other current assets		-	(102,054)	-	(11,793)
Increase (Decrease) in:					
Accrued expenses and other payables		-	8,027,240	-	(17,046,467)
Payable to fund manager		-	(212,283)	-	1,378,902
Cash generated from (used in) operations		-	(2,330,684)	-	(10,593,828)
Acquisitions of financial assets at fair value					
through profit or loss	5	-	(210,463,699)	-	(767,065,089)
Proceeds from disposal and maturities of					
financial assets at fair value through profit or loss	5	-	338,594,777	-	1,019,401
Interest income received		-	66,337	15,698	8,536
Income taxes paid		-	(13,145)	(3,140)	(1,687)
Net cash generated from (used in) operating activities		-	125,853,585	12,558	(776,632,667)
<b>Cash Flows from Financing Activities</b>					
Proceeds from the issuance of units	10	-	542,357,557	-	859,594,020
Payments on withdrawals of units	10	-	(632,893,388)	-	(49,501,645)
Net cash generated from financing activities		-	(90,535,831)	-	810,092,375
Net Increase (Decrease) in Cash in banks		-	35,317,755	12,558	33,459,708
Cash in banks, Beginning		49,263,738	215,335,446	49,213,406	45,066,594
Cash in banks, End		P 49,263,738	P 250,653,201	P 49,225,964	P 78,526,302



## 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 and Presentation Currency

These financial statements are presented in Philippine peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, except when otherwise indicated.

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

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

### **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 1 January 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 1 January 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 1 January 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 1 January 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 1 January 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 1 January 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 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 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.

**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 losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

As at March 31, 2022 and December 31, 2021, 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 FVOCI are credit-impaired at each reporting date. To assess if debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

#### *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 statement of financial position*

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

#### Derecognition

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

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

## **Financial Liabilities and Equity Instruments**

### *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.

#### *Units of Participation*

Represents an undivided interest in the pool of investments assets earmarked for this type of security issued by the Company.

#### *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.

### **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.

### **Prepayments**

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

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

### **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**

Income is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business.

### **Transaction price**

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

### Dividend income

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

### Interest income

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

### Realized gains or losses

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

### Fair value gains or losses

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

### 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.

### **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, whichever is higher.

#### 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.

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

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

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

#### **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.

#### **Net Asset Value per Unit (NAVPU)**

The Company computes its NAVPU by dividing the total net asset value attributable to unit holders as at the end of the reporting period by the number of its outstanding units.



## 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
<b>Attributable to shareholders</b>		
Cash in banks	P49,263,738	P49,263,738
<b>Attributable to unit holders</b>		
Cash in banks	P250,653,201	P215,335,446

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

This account consists of:

	March 2022	December 2021
<b>Attributable to unit holders</b>		
Investments in global mutual fund	P 3,537,859,479	P 3,644,640,467

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

	March 2022	December 2021
<b>Attributable to unit holders</b>		
Net realized gains (loss) on investments	P 24,007,114	P 66,894,289
Net unrealized gains on investments	(6,841,365)	435,765,270
	P 17,165,749	P 502,659,559

Net gains and losses on investments in equity securities are composed of investment in global mutual fund.

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

	March 2022	December 2021
<b>Attributable to unit holders</b>		
Balance, January 1	P 3,644,640,467	P 573,307,540
Additions	222,691,368	3,406,237,835
Disposals	(322,630,991)	(770,670,178)
Unrealized gains (losses)	(6,841,365)	435,765,270
Balance, December 31	P 3,537,859,479	P 3,644,640,467

### 6. PREPAYMENTS AND OTHER CURRENT ASSETS

	March 2022	December 2021
<b>Attributable to unit holders</b>		
Prepaid Expenses	P 182,552	P 80,498

7. ACCRUED EXPENSES AND OTHER PAYABLES

	March 2022	December 2021
<b>Attributable to unit holders</b>		
Due to investors	P 22,602,931	P14,453,625
Withholding taxes	331,252	337,761
Supervisory fees	175,419	243,510
Custodianship fees	70,019	81,681
Professional fees	39,706	75,510
	P 23,219,327	P15,192,087

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.

8. DUE FROM / TO BROKERS

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

Due from brokers amounted to P8,043,326 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 P12,227,668 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.

Commissions are paid to brokers when buying and selling shares of stock. Commission expenses amounting to P349,256 and P390,104 were incurred as at March 31, 2022 and 2021, respectively.

9. 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 attributable to unit holders are set out below:

Nature of Transaction	Transactions as of end of the Quarter	Outstanding Balances		Terms	Condition
		Q1 2022	Q1 2022		
SLAMCI – Fund Manager					
Management Distribution and Transfer fees	P 11,628,778	P 3,978,104	P4,190,387	Non-interest bearing; 1.15% of average daily net assets; settled in cash on or before the 15th day of the following month	Non-interest bearing;
Key Management Personnel Directors' Fees	P 63,864	P -	P -	Payable on demand;	Unsecured: Unguaranteed

## 10. EQUITY

	2021	
	Shares /Units	Amount
<b>Attributable to shareholders</b>		
Authorized:		
At P0.01 par value	200,000,000	P 2,000,000
<b>Issued and fully paid:</b>		
At March 31	50,000,000	P 500,000
<b>Attributable to unit holders</b>		
Offer units		
At P1.00 initial offer price	100,000,000,000	P100,000,000,000
At January 1	2,746,782,392.53	P 3,330,188,335
Contributions	503,131,881.41	542,357,557
Withdrawals	(480,014,047.79)	(632,893,388)
At March 31	2,769,900,226.15	P3,239,652,504

### *Incorporation*

The Company was incorporated on August 4, 2017 with 200,000,000 authorized shares at a par value of P0.01 per share attributable to shareholders and 100,000,000,000 Offer Units at P1.00 initial offer price per unit.

The Company started its commercial operations on July 6, 2020.

### *Current State*

As at March 31, 2022, out of the present 200,000,000 authorized shares, the Company has 50,000,000 issued and outstanding shares, with par value of P0.01 per share attributable to shareholders. And out of the present 100,000,000,000 Offer Units, the Company has 2,769,900,226.15 subscribed units.

### *Redeemable shares*

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

- a. Distribution of dividends  
Each shareholder has a right to any dividends declared by the Company's Board of Directors and approved by 2/3 of its outstanding shareholders.
- b. Denial of pre-emptive rights  
No shareholder shall, because of his ownership of the shares, have a pre-emptive or other right to purchase, subscribe for, or take any part of shares or any other securities convertible into or carrying options or warrants to purchase shares of the registrant.
- c. Right of redemption  
The holder of any shares of the Company, 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.

### Redeemable Units

Redeemable units refer to units of participation each of which represents an undivided interest in the pool of investments assets earmarked for this type of security issued by a Mutual Fund Company (MFC). The MFC will buy back the redeemable units upon request of the holder.

Additional paid-in capital attributable to shareholders amounting to P49,500,000 as at March 31, 2022 and December 31, 2021 pertains to excess payments over par value from investors. However, no corresponding additional paid-in capital is recognized upon issuance of units as these are issued at no par value.

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
<b>Attributable to shareholders</b>	
100%	-
<b>Attributable to unit holders</b>	
19.55%	80.45%

Area	Percentage of Investments
<b>Attributable to shareholders</b>	
LUZON	100%
<b>Attributable to unit holders</b>	
LUZON	94%
VISAYAS	4%
MINDANAO	2%
TOTAL	100%

### 11. NET ASSET VALUE PER SHARE / UNITS

	March 2022	December 2021
<b>Attributable to shareholders</b>		
Total equity	P	P 49,263,738
Outstanding shares		50,000,000
NAVPS	P	P 0.9853
<b>Attributable to unit holders</b>		
Total equity	P	P 3,840,673,937
Subscribed units		2,746,782,392.53
NAVPU	P	P 1.3982

#### 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:

	<b>Yields</b>	<b>NAVPS / NAVPU</b>	<b>NAVPS / NAVPU Date</b>
<b>Attributable to shareholders</b>			
Year on year yield (1-year)	0.00%	P 0.9853	March 31, 2021
<b>Attributable to unit holders</b>			
Year on year yield (1-year)	13.6882%	P 1.1930	March 31, 2021

**12. INTEREST INCOME**

	<b>March 2022</b>	<b>March 2021</b>
<b>Attributable to shareholders</b>		
Cash in banks	P -	P 15,698
<b>Attributable to unit holders</b>		
Cash in banks	P 66,337	P 8,536

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

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

	March 2022	March 2021
<b>Attributable to shareholders</b>		
Net Income (loss) for the period	P -	12,558
Weighted average number of outstanding shares for the purpose of computing earnings per shares	50,000,000	50,000,000
Basic and diluted earnings per shares	P 0.000	P 0.000
<b>Attributable to unit holders</b>		
Net Income for the period	P 7,175,353	46,571,738
Weighted average number of outstanding units for the purpose of computing earnings per units	2,749,132,623.34	979,269,849.24
Basic and diluted earnings per units	P 0.003	P 0.048

**14. 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.

Attributable to unit holders:

	Level 1	Total
<b>March 31, 2022</b>		
Investments in listed equity securities	P 3,537,859,479	P 3,537,859,479
<b>December 31, 2021</b>		
Investments in listed equity securities	P 3,644,640,467	P3,644,640,467

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

There were no transfers between Level 1 and 2 in March 2022 and December 2021.

*Financial asset and liabilities not measured at fair value.*

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

Attributable to shareholders:

	Carrying Amounts	Fair Values		
		Level 1	Level 2	Total
<b>March 31, 2022</b>				
<b>Financial Asset</b>				
Cash in banks	P 49,263,738	P 49,263,738	P -	P 49,263,738
<b>December 31, 2021</b>				
<b>Financial Asset</b>				
Cash in banks	P49,263,738	P49,263,738	P -	P 49,263,738

Attributable to unit holders:

	Carrying Amounts	Fair Values		
		Level 1	Level 2	Total
<b>March 31, 2022</b>				
<b>Financial Assets</b>				
Cash in banks	P 250,653,201	P 250,653,201	P -	P250,653,201
Due from brokers	8,043,326	8,043,326	-	8,043,326
	P 258,696,527	P 258,696,527	P -	P 258,696,527
<b>Financial Liabilities</b>				
Accrued expenses and other payables	P 22,888,075	P 22,888,075	P -	P 22,888,075
Payable to fund manager	3,978,104	3,978,104	-	3,978,104
Due to brokers	12,227,668	12,227,668	-	12,227,668
	P 39,093,847	P 39,093,847	P -	P 39,093,847
<b>December 31, 2021</b>				
<b>Financial Assets</b>				
Cash in banks	P 215,335,416	P 215,335,416	P -	P 215,335,416
<b>Financial Liabilities</b>				
Accrued expenses and other payables	P 14,854,326	P -	P14,854,326	P 14,854,326
Payable to fund manager	4,190,387	-	4,190,387	4,190,387
	P 19,044,713	P -	P19,044,713	P 19,044,713

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 taxes that is not considered financial liabilities.

Cash in bank, accrued expenses and payable to fund manager 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:

1. **Increase/Decrease in Net Assets Value per Unit (NAVPU.)** NAVPU is computed by dividing net assets (total assets less total liabilities) by the total number of units issued, as of the end of the reporting day. Any increase or decrease in NAVPU translates to a prospective capital gain or capital loss, respectively, for the Fund's unit holders.

2. **Net Investment Income.** Represents total earnings of the Fund from its investment securities, less operating expenses and income tax. This gauges how efficiently the Fund has utilized its resources in a given time period.
3. **Assets Under Management (AUM).** These are the assets under the Fund's disposal. This measures investor confidence (increase/decrease brought about by in 1,416,934,987 investor subscriptions/redemptions) as well as the growth of the Fund (increase/decrease brought about by its operational income and market valuation of its assets and liabilities).
4. **Cash Flow.** This 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. December 31, 2021

Below table is attributable to shareholders:

For the Period Ended	31-Mar-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	49,263,738	49,263,738	-	0.00%	Liquidity requirements were met.
<b>Total Assets</b>	<b>49,263,738</b>	<b>49,263,738</b>	-	<b>0.00%</b>	
<b>Total Liabilities</b>	-	-	-	-	
Net assets attributable to shareholders	49,263,738	49,263,738	-	0.00%	No movement in NAV
<b>Net Assets</b>	<b>49,263,738</b>	<b>49,263,738</b>	-	<b>0.00%</b>	
<b>Net Assets Value per Share</b>	<b>0.9853</b>	<b>0.9853</b>	<b>0.0000</b>	<b>0.00%</b>	

Below table is attributable to unit holders:

For the Period Ended	31-Dec-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	250,653,201	215,335,446	35,317,755	16.40%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	3,537,859,479	3,644,640,467	(106,780,988)	-2.93%	The decrease was due to net disposals of investment in global mutual fund.
Due from brokers	8,043,326	-	8,043,326	0.00%	
Prepayments and other current assets	182,552	80,498	102,054	126.78%	This account pertains to prepaid tax to be applied in the future income tax payable of the fund.
<b>Total Assets</b>	<b>3,796,738,558</b>	<b>3,860,056,411</b>	<b>(63,317,853)</b>	<b>-1.64%</b>	
Accrued expenses and other payables	23,219,327	15,192,087	8,027,240	52.84%	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	3,978,104	4,190,387	(212,283)	-5.07%	The decrease was due to lower AUM during the period.
Due to brokers	12,227,668	-	12,227,668	0.00%	
<b>Total Liabilities</b>	<b>39,425,099</b>	<b>19,382,474</b>	<b>20,042,625</b>	<b>103.41%</b>	
Net assets attributable to unit holders	3,757,313,459	3,840,673,937	(83,360,478)	-2.17%	
<b>Net Assets</b>	<b>3,757,313,459</b>	<b>3,840,673,937</b>	<b>(83,360,478)</b>	<b>-2.17%</b>	The movement represents the net income earned negated by the net withdrawals of investors during the period.
<b>Net Assets Value per Unit</b>	<b>1.3679</b>	<b>1.3982</b>	<b>-0.0303</b>	<b>-2.17%</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. 30 March 2021**

Below table is attributable to shareholders:

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Investment Income	-	15,698	(15,698)	-100.00%	No interest income earned as of March 2022
Provision for Income Tax	-	3,140	(3,140)	-100.00%	Final taxes of interest income earned from cash deposits.
Net Investment Income (Loss)	-	12,558	(12,558)	-100.00%	

Below table is attributable to unit holders:

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Investment Income	26,380,943	9,998,534	16,382,409	163.85%	The increase was brought by the trading gains on the sale of its investments coupled with the realized foreign exchange gains earned during the period.
Investment Expenses	349,256	390,104	(40,848)	-10.47%	The decrease was driven by lower commissions incurred for the period. Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
Operating Expenses	12,001,824	3,494,963	8,506,861	243.40%	Higher management fees have resulted from the increase in average AUM coupled with increase in custodianship fees, directors' fees and taxes and licenses.
Net Unrealized Gains (Losses) on Investments	(6,841,365)	40,459,958	(47,301,323)	-116.91%	The decrease was due to the impact of unfavorable market condition on its investment in global mutual fund during the period.
Provision for Income Tax	13,145	1,687	11,458	679.19%	Final taxes of interest income earned from bank deposits.
Net Investment Income (Loss)	7,175,353	46,571,738	(39,396,385)	-84.59%	

Average daily net asset value from January to March 31, 2022 and January to March 31, 2021 is P 3,621,778,801 and P1,032,677,242, 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 operational and financial risks such as market risk, foreign exchange risk, liquidity risk, large transaction risk, non-guarantee, regulatory risk, operational risk, taxation risk, counterparty risk, foreign investment risk, geographic concentration risk, passive management risk, and underlying fund risk. The policies for managing specific risks are summarized below:

**Market Risk:** Market risk is the risk of possible decline in the value of the Fund due to fluctuations in prices of the fund's assets.

**Equity Price Risk:** For equity investments, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the company's operations and overall profitability. To manage this risk, the equity investments included in the Fund's portfolio are carefully selected based on their fundamental soundness.

**Foreign Exchange Risk:** The Fund is exposed to foreign exchange risk arising from fluctuations in foreign exchange rates. Significant fluctuation in the exchange rates could significantly affect the Fund's financial position. Investors should note that the Fund is denominated in Philippine Peso and invests in a Target Fund denominated in US Dollars. **The foreign currency position of the Fund (i.e. PHP vs USD) will not be hedged. Thus, investors are fully exposed to fluctuations in the USD/PHP exchange rate.**

**Liquidity Risk:** The Fund is usually able to service redemptions of investors within seven (7) banking days after receiving the notice of redemption by paying out redemptions from available cash or cash equivalents. When redemptions exceed these liquid holdings, the Funds will have to sell less-liquid assets, and during periods of extreme market volatility, the Funds may not be able to find a buyer for such assets. As such, the Funds 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 risk, the Fund maintains adequate highly liquid assets in the form of cash, cash equivalents and near cash assets in its portfolio.

**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 units 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. To mitigate this risk, the Fund may impose single investor limits to the ownership of the fund, when necessary. This limits the extent to which redemptions from any single investor can impact the Fund's cash flow. The Fund may also impose an anti-dilution levy or fee for significant orders, to protect the interest of the remaining investors of the Fund, when necessary.

**Non-Guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the 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.

**Regulatory Risk:** The Funds' operations are subject to various regulations, such as those affecting accounting of assets and taxation. These regulations do change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. For example, higher taxes would lower returns, and a mandated precautionary loan loss provisions could result in the Fund experiencing a loss in the value of assets. To mitigate this risk, the Fund 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. The Fund's investment manager,

SLAMCI, also takes an active participation in the Philippine Investment Funds Association, Inc. ("PIFA"), an association of mutual fund companies in the Philippines.

**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 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 levels of self-insurance, is maintained to provide protection against potential losses.

**Taxation Risk:** Gains realized by investors upon redemption of **shares** in a mutual fund are not subject to personal income tax (R.A. 8424). However, since the **fund will only issue units**, investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding, and redeeming **units** of the Fund.

**Counterparty Risk:** The Fund is exposed to risks arising from solvency of its counterparties (e.g. custodian, broker, banks) and their ability to respect the conditions of contracts or transactions. 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.

**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.

To mitigate this risk, the Fund will only invest in securities that are domiciled in a country that is regulated by a credible regulatory authority.

**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. The Fund manages this risk by complying with the exposure limits determined by the investment manager.

**Passive Management Risk:** Some Funds may invest in other mutual funds that are not actively managed, such as index funds. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a Fund that invests in such passively managed fund.

**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 Fund manages this risk by conducting comprehensive due diligence on the underlying funds as well as their respective investment managers.

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.

## 2. Capital Risk Management

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

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

The Company manages capital and NAVPS, to ensure that the Company's net asset value remains competitive and appealing to prospective investors.

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

1. As a **Feeder Fund**, the Fund shall be subject to the following:
  - a. The Fund shall invest more than ninety percent (90%) of its net assets in a single collective investment scheme
  - b. The single entity limit of fifteen percent (15%) shall not be applicable;
  - c. The Target Fund:
    - i. shall not be a feeder fund or co-managed fund;
    - ii. is a CIS established by another fund manager/s, asset management company/ies or fund operator/s;
    - iii. shall provide ample protection to the investors of the feeder fund. If the Target Fund is a foreign fund, the securities regulator approving the said fund shall have been assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
    - iv. The Target Fund publishes Quarterly/Semi-Annual and Annual Reports;
    - v. The investment objective of the target fund is aligned with that of the feeder fund.
  - d. The Target Fund is supervised by a regulatory authority, as follows:
    - i. A local Target Fund shall either be registered with the Commission or approved by the Bangko Sentral ng Pilipinas;
    - ii. A Target Fund constituted in another economy shall be registered/authorized/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO
  - e. Investments in Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority to act as third party custodian.
  - f. The custodian can liaise with the offshore target fund on the transactions of the feeder fund.
  - g. In compliance with SEC Memorandum Circular 11, Series of 2019, "Amendments to ICA Rule 7.9", the Fund Manager can invest the funds of the feeder fund, fund-of-funds or co-managed funds to a target fund that is administered by the Fund manager or its related party/company provided that:
    - i. There shall be no cross-holding between the feeder fund or fund-of-funds and the target funds where cross-holding refers to the holding securities in another by two (2) or more funds;
    - ii. All initial charges on the target fund are waived; and
    - iii. The management fee shall be charged only once, either at the level of the feeder fund, fund-of-funds, co-managed funds or at the level of the target fund.

2. The Fund shall not issue senior securities.
3. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).
4. The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities, except its own offer units.
5. The Fund will generally maintain a diversified portfolio. Geographic and asset allocations may vary at any time depending on the investment manager's overall view.
6. The Fund shall not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any.
7. The Fund shall not purchase or sell commodity futures contracts.
8. 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.
9. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
10. The Fund may use various techniques to hedge investment risks.
11. The Fund will not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

The Investment Policies refer to the following:

- Investment Objective - to invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI)..
- Benchmark - 95% MSCI ACWI (PhP Terms) + 5% 30-day USD Deposit..
- Asset Allocation Range - the Company allocates its funds available for investments among cash and other deposit substitutes and fixed-income securities 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 at an annual rate of 1.00% of the net assets attributable to unit holders 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 same period last year, the Company is consistently in compliance with the minimum paid-in capital requirement of the SEC of PHP 50 million.

### **3. 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	March 31, 2022
	Market Value
SPD EQ USD MSCI ACWI ETF	3,537,859,479

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

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

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

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

#### Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving 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 cashflows 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 and December 31, 2021, 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 Philippine peso (PHP). The PHP is the currency of the primary economic environment in which the Company operates. It is the currency being used to report the Company's results of operations.

### Puttable shares designated as equity instruments

The Company designated its redeemable share capital as equity instruments when the Company adopted the amendments in PAS 32, *Financial Instruments: Presentation*, and PAS 1, *Presentation of Financial Statements: Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation*, effective for annual reporting periods beginning on or after January 1, 2009. The Company's share capital met the specified criteria 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).

### **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 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.



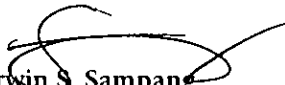
## SIGNATURES

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 World Equity Index Feeder Fund, Inc.

Principal Financial/Accounting Officer/Comptroller:

Signature and Title : Treasurer



Sherwin S. Sampang

Date : May 18, 2022

**ITEM 1. FINANCIAL STATEMENTS**

Schedule of Financial Soundness Indicators and Financial Ratios

March 31, 2022 and December 31, 2021

	Formula	2022		2021	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<i>Current/ Liquidity Ratios</i>					
a. Current ratio	Current Assets/Current Liabilities	N/A	96.3:1	N/A	199.15:1
b. Quick ratio	Quick Assets/Current Liabilities	N/A	96.3:1	N/A	199.15:1
c. Cash ratio	Cash/Current Liabilities	N/A	6.36:1	N/A	11.11:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A	N/A	N/A
e. Working capital ratio	(Current Assets/Current Liabilities)/Current Liabilities	N/A	95.3:1	N/A	198.15:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	N/A	142.43:1	783.02:1	57.28:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	N/A	28469.84:1	N/A	9665.7:1
<i>Solvency Ratios</i>					
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	0.00	0.00	0.00	0.00
b. Debt to equity ratio	Total Liabilities/Total Equity	0.00	0.01	0.00	0.01
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	0.00	0.00	0.00	0.00
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.00	0.01	0.00	0.01
Asset to equity ratio	Total Assets/Total Equity	1.00:1	1.01:1	1.00:1	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A	N/A	N/A
<i>Profitability Ratio</i>					
a. Earnings before interest and taxes (EBIT) margin (EBITDA) margin	EBIT/Revenue EBITDA/Revenue	0.00% 0.00%	27.25% 27.25%	100.00% 100.00%	693.36% 693.36%
c. Pre-tax margin	EBIT/Revenue	0.00%	27.25%	100.00%	693.36%
d. Effective tax rate	Income Tax/EBIT	0.00%	0.18%	20.00%	0.01%
e. Post-tax margin	Net Income After Tax/Revenue	0.00%	27.20%	80.00%	693.31%
f. Return on equity	Net Income After Tax/Average Common Equity	0.00%	0.19%	0.10%	12.10%
g. Return on asset	NIAT/Average Total Assets	0.00%	0.19%	0.10%	12.04%
Capital intensity ratio	Total Assets/Revenue	N/A	143.92:1	783.02:1	57.57:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A	N/A	N/A

**ITEM 1. FINANCIAL STATEMENTS**

<b>i. Percentage of Investment in a Single Enterprise to Net Asset Value</b>	<b>2022</b>	<b>2021</b>
As of March 31, 2022 and December 31, 2021	N/A	N/A
<b>ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company</b>	<b>2021</b>	<b>2020</b>
As of March 31, 2022 and December 31, 2021	N/A	N/A
<b>iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets</b>		
As of March 31, 2022 and December 31, 2021		
	<b>2022</b>	<b>2021</b>
Total Liquid and Semi-Liquid Assets	49,263,738	49,263,738
TOTAL ASSETS	49,263,738	49,263,738
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%
<b>iv. Total Operating Expenses to Total Net Worth</b>		
As of March 31, 2022 and December 31, 2021		
	<b>2022</b>	<b>2021</b>
Total Operating Expenses	-	-
Average Daily Net Worth	49,192,366	
Total Operating Expenses to Average Daily Net Worth	0.00%	
<b>v. Total Assets to Total Borrowings</b>		
As of March 31, 2022 and December 31, 2021		
	<b>2022</b>	<b>2021</b>
Total Assets	49,263,738	49,263,738
Total Borrowings	-	-
Total Assets to Total Borrowings	N/A	N/A

**ITEM 1. FINANCIAL STATEMENTS**

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

March 31, 2022 and December 31, 2021

	2022			2021		
	Unit Holders			Unit Holders		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	3,537,859,479	3,757,313,459	94.16%	3,644,640,467	3,840,673,937	94.90%

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

March 31, 2022 and December 31, 2021

	2022			2021		
	Unit Holders			Unit Holders		
	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee
<b>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	353,647	14,095,467	2.51%	353,927	17,126,767	2.07%

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

March 31, 2022 and December 31, 2021

	2022	2021
Total Liquid and Semi-Liquid Assets	3,796,556,006	3,859,975,913
TOTAL ASSETS	3,796,738,558	3,860,056,411
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%

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

March 31, 2022 and December 31, 2021

	2022	2021
Total Operating Expenses	12,001,824	35,941,310
Average Daily Net Worth	3,621,778,801	2,313,888,809.12
Total Operating Expenses to Average Daily Net Worth	0.33%	1.55%

**v. Total Assets to Total Borrowings**

March 31, 2022 and December 31, 2021

	2022	2021
Total Assets	3,796,738,558	3,860,056,411
Total Borrowings	39,425,099	19,382,474
Total Assets to Total Borrowings	9630%	19915%

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER 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	Market Value
<b>Attributable to Unit Holders:</b>					
<b>Mutual Funds</b>					
SPD EQ USD MSCI ACWI ETF	353,647	P3,537,859,479	P353,647	353,927	P3,644,640,467
<b>GRAND TOTAL</b>	<b>353,647</b>	<b>P3,537,859,479</b>	<b>P353,647</b>	<b>353,927</b>	<b>P3,644,640,467</b>



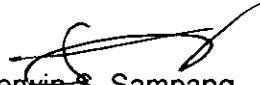
**Sun Life**  
Asset Management

### Certification

I, Sherwin S. Sampang, the Treasurer of Sun Life Prosperity World Equity Index Feeder Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS201725847 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 World Equity Index Feeder 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 World Equity Index Feeder 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.

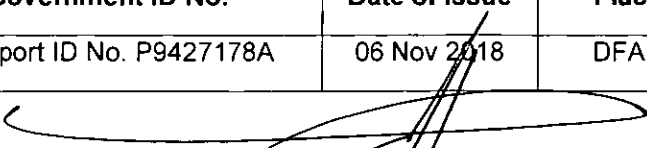
IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of May, 2022.

  
Sherwin S. Sampang  
Affiant

SUBSCRIBED AND SWORN to before me this 6 day MAY 06 2022, 2022, in \_\_\_\_\_ 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. 375;  
Page No. 26;  
Book No. 114;  
Series of 2022.

  
**NOTARY 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)  
PFR No. 5852511 Jan. 3, 2022  
Makati City Roll No. 40091  
101 Urban Ave. Campos Rueda Bldg.  
Tag. 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 6, 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 CS201725847 2. BIR Tax Identification No. : 009-766-502-00000

3. Sun Life Prosperity World Equity Index Feeder 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. Sun Life Centre, 5th Avenue corner 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 [  ]

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 World Equity Index Feeder Fund, Inc.**

Registrant's full name as contained in charter



**SHERWIN S. SAMPANG**  
Treasurer

Date: **May 6, 2022**



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

<b>Launch Date</b>	July 6, 2020	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Fund Size</b>	PHP 3,756,833,513.81	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Net Asset Value Per Unit</b>	1.3563	<b>Transfer Agency Fee</b>	1.00%	<b>Bloomberg Ticker</b>	SLPWEIF PM Equity
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Minimum Holding Period</b>	0.15%	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
<b>Fund Structure</b>	Mutual Fund (Units)	<b>Early Redemption Fee</b>	30 days	<b>Target Fund Ticker</b>	ACWD LN Equity
<b>Fund Classification</b>	Feeder Fund		1.00%		

## What does the Fund invest in?

The **Sun Life Prosperity World Equity Index Feeder Fund** allows you to diversify your portfolio by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

The Fund is suitable for investors with an **aggressive risk profile** and long-term investment horizon. This is for investors who want to maximize potential returns by riding on the performance of the MSCI All Country World Index.

### Investment Mix

1. State Street Global Advisors - SPDR MSCI ACWI ETF, 94.17%
2. Cash and Other Liquid Assets, 5.83%

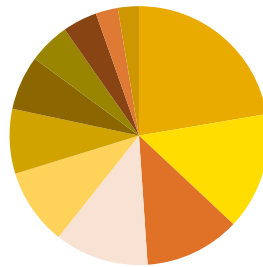
### Top 10 Holdings (Target Fund)

Data as of March 31, 2022

1. Apple, Inc., 4.34%
2. Microsoft Corp., 3.30%
3. Amazon.com, Inc., 2.23%
4. Tesla, Inc., 1.36%
5. Alphabet, Inc. - Class A, 1.27%
6. Alphabet, Inc. - Class C, 1.23%
7. Nvidia Corp., 1.02%
8. Meta Platforms, Inc. - Class A, 0.80%
9. Taiwan Semiconductor Manu., 0.80%
10. UnitedHealth Group, Inc., 0.72%

### Sector Allocation (Target Fund)

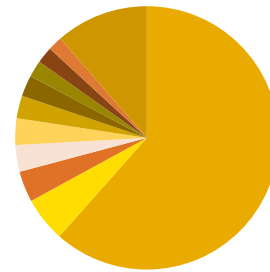
Data as of March 31, 2022



- Information Technology, 22.34%
- Financials, 14.65%
- Health Care, 11.94%
- Consumer Discretionary, 11.74%
- Industrials, 9.57%
- Communication Services, 8.09%
- Consumer Staples, 6.79%
- Materials, 5.17%
- Energy, 4.31%
- Utilities, 2.77%
- Real Estate, 2.63%

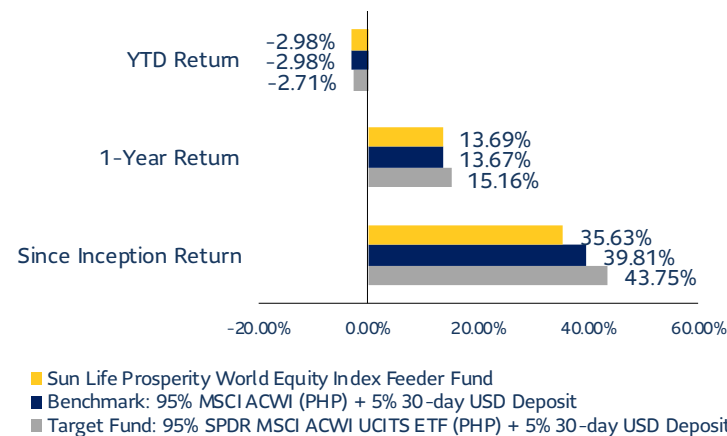
### Geographical Allocation (Target Fund)

Data as of March 31, 2022



- United States, 61.56%
- Japan, 5.50%
- United Kingdom, 3.79%
- China, 3.28%
- Canada, 3.27%
- France, 2.78%
- Switzerland, 2.59%
- Germany, 2.04%
- Australia, 2.03%
- Taiwan, 1.77%
- Others, 11.39%

## 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.

**Disclaimer:** The underlying target fund of the Sun Life Prosperity World Equity Index Feeder Fund is valued using the NAVPS as of previous day due to the time difference between the Philippines and the domicile country of the target fund. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review and Outlook

- Global equities and fixed income diverged in March, with the former increasing 2.22% and the latter falling 3.05%. Major equity markets deviated as well, with the U.S. rising 3.71%, Europe flat at 0.02%, and Asia ex-Japan declining 2.77%.
- U.S. CPI inflation remained above-trend, with the February figure setting a new 40-year high of +7.9% year-on-year. The elevated levels are expected to persist given global supply shortages, notably in energy and food, exacerbated by Russia's invasion of Ukraine.
- The March meeting of the U.S. Federal Reserve (Fed) resulted in a highly anticipated 25-basis point rate hike to help tame elevated inflation numbers. A healthy U.S. economy, highlighted by a tight labor market, supports the case for further rate hikes throughout the year.
- Chinese equities underperformed their global peers in March as the market slid by 6.52% (USD-terms). In addition to rising global geopolitical tensions, the latest COVID-19 surge in the country and the subsequent reimposition of stringent lockdowns further dampened risk appetite.
- The Bloomberg Commodity Index appreciated by 8.61% in March, marking the fourth consecutive month of rising prices. Global oil (Brent) rallied to USD 127.98 per barrel, its highest since 2008, in reaction to the embargoes on Russia, a major exporter of the commodity.

**ANNOUNCEMENT:** Please be advised that effective **19 April 2022**, the minimum initial investment amount and maintaining balance of the **Sun Life Prosperity World Equity Index Feeder Fund** will be lowered to **PHP 10,000** (from PHP 50,000), and its minimum additional investment and redemption amount will also be lowered to **PHP 1,000** (from PHP 10,000). Thank you.

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

<b>Launch Date</b>	July 6, 2020	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Fund Size</b>	PHP 3,590,213,775.58	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Net Asset Value Per Unit</b>	1.2962	<b>Transfer Agency Fee</b>	0.15%	<b>Bloomberg Ticker</b>	SLPWEIF PM Equity
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Minimum Holding Period</b>	30 days	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
<b>Fund Structure</b>	Mutual Fund (Units)	<b>Early Redemption Fee</b>	1.00%	<b>Target Fund Ticker</b>	ACWD LN Equity
<b>Fund Classification</b>	Feeder Fund				

## What does the Fund invest in?

The **Sun Life Prosperity World Equity Index Feeder Fund** allows you to diversify your portfolio by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

The Fund is suitable for investors with an **aggressive risk profile** and long-term investment horizon. This is for investors who want to maximize potential returns by riding on the performance of the MSCI All Country World Index.

### Investment Mix

1. State Street Global Advisors - SPDR MSCI ACWI ETF, 93.89%
2. Cash and Other Liquid Assets, 6.11%

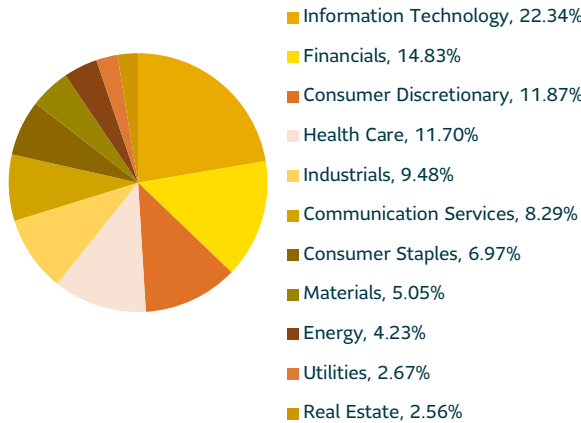
### Top 10 Holdings (Target Fund)

Data as of February 28, 2022

1. Apple, Inc., 4.20%
2. Microsoft Corp., 3.27%
3. Amazon.com, Inc., 2.15%
4. Alphabet, Inc. - Class A, 1.26%
5. Alphabet, Inc. - Class C, 1.22%
6. Tesla, Inc., 1.12%
7. Nvidia Corp., 0.94%
8. Taiwan Semiconductor Manu., 0.84%
9. Meta Platforms, Inc. - Class A, 0.78%
10. UnitedHealth Group, Inc., 0.69%

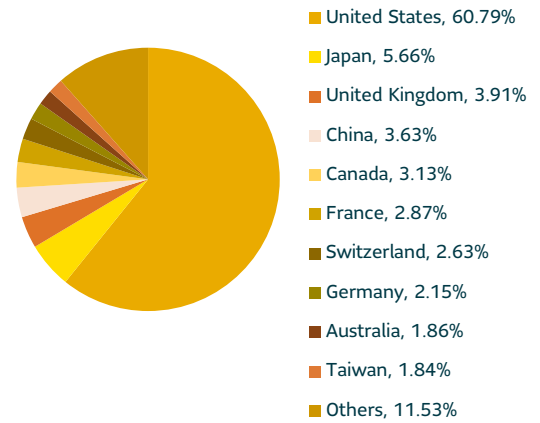
### Sector Allocation (Target Fund)

Data as of February 28, 2022

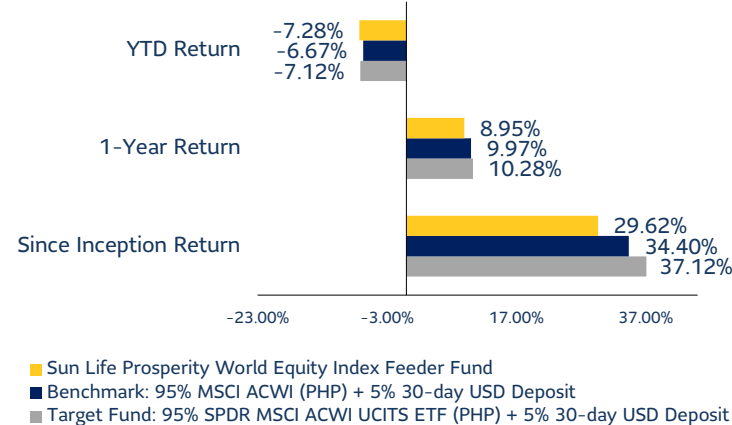


### Geographical Allocation (Target Fund)

Data as of February 28, 2022



## 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.

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## Market Review and Outlook

- Both global equities and fixed income dropped by 2.55% and 1.19% respectively in February. Most major markets suffered significant pullbacks, with the U.S., Europe, and Asia ex-Japan falling by 3.00%, 3.35%, and 2.37% respectively.
- U.S. headline inflation continued to surge by 7.50% year-on-year in January 2022, the latest 40-year high. This is attributed to lingering supply chain bottlenecks and higher commodity prices due to the heightened tensions between Ukraine and Russia.
- Markets are currently pricing in 5 to 6 policy rate hikes by the Fed in 2022. Ongoing tensions in Ukraine have acted as a catalyst, capping yields in spite of the inflationary concerns.
- Chinese equities bucked the global equity market's decline, returning 3.85% (USD terms) in February. The tailwind came in the form of a more progressive regulation stance on the property sector, a more targeted fiscal program, and the PBOC announcing more interest rate cuts.
- The Bloomberg Commodity Index rose for a third straight month, gaining 6.20% in February. Global oil (Brent), rallied 10.72% to USD 100.99/barrel amidst the Ukraine developments.

**ANNOUNCEMENT:** Please be advised that effective **April 1, 2022**, the Sun Life Prosperity World Equity Index Feeder Fund will use **98% MSCI ACWI (PHP Terms) + 2% 30-Day USD Deposit Rate** as its new benchmark to reflect lower investments in liquid/semi-liquid assets.

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<b>Launch Date</b>	July 6, 2020	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Fund Size</b>	PHP 3,495,155,927.01	<b>Minimum Subsequent Management and Distribution Fee</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Net Asset Value Per Unit</b>	1.2908	<b>Transfer Agency Fee</b>	0.15%	<b>Bloomberg Ticker</b>	SLPWEIF PM Equity
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Minimum Holding Period</b>	30 days	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
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The **Sun Life Prosperity World Equity Index Feeder Fund** allows you to diversify your portfolio by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

The Fund is suitable for investors with an **aggressive risk profile** and long-term investment horizon. This is for investors who want to maximize potential returns by riding on the performance of the MSCI All Country World Index.

### Investment Mix

1. State Street Global Advisors – SPDR MSCI ACWI ETF, 94.04%
2. Cash and Other Liquid Assets, 5.96%

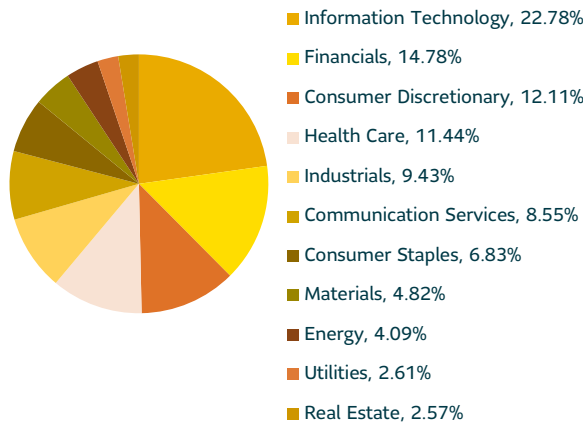
### Top 10 Holdings (Target Fund)

Data as of January 31, 2022

1. Apple, Inc., 4.32%
2. Microsoft Corp., 3.31%
3. Amazon.com, Inc., 2.03%
4. Alphabet, Inc. - Class A, 1.23%
5. Alphabet, Inc. - Class C, 1.19%
6. Tesla, Inc., 1.17%
7. Meta Platforms Inc. - Class A, 1.13%
8. Nvidia Corp., 0.92%
9. Taiwan Semiconductor Manu., 0.87%
10. UnitedHealth Group, Inc., 0.67%

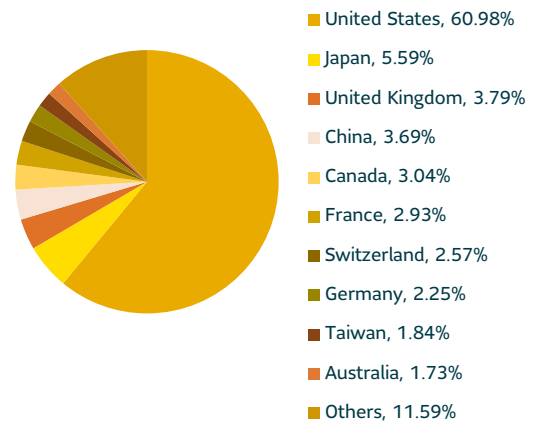
### Sector Allocation (Target Fund)

Data as of January 31, 2022

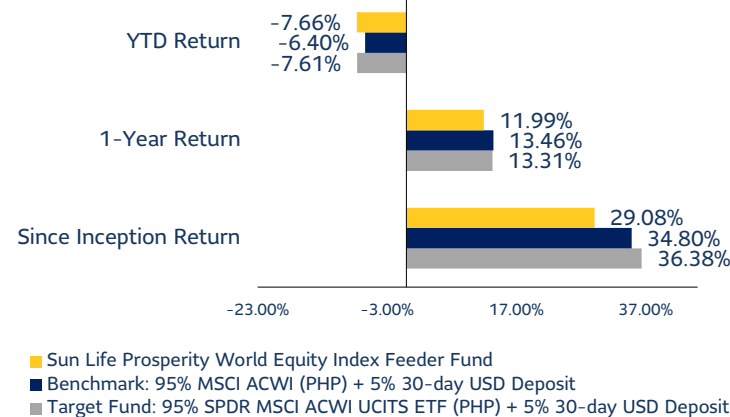


### Geographical Allocation (Target Fund)

Data as of January 31, 2022



## 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.

**Disclaimer:** The underlying target fund of the Sun Life Prosperity World Equity Index Feeder Fund is valued using the NAVPS as of previous day due to the time difference between the Philippines and the domicile country of the target fund. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review and Outlook

- Global equities and fixed income both pulled back in January by 4.89% and 2.05%, respectively. All major markets followed suit, with the U.S., Europe, and Asia Ex-Japan seeing USD-denominated declines of 5.17%, 5.22%, and 3.11%, respectively.
- U.S. headline inflation closed at 7.0% for the first time since the early 1980s, due to lingering supply chain bottlenecks and labor shortages caused by the Omicron variant.
- The market is currently pricing in four Federal Reserve policy rate hikes for 2022, although a stronger than expected recovery could lead to more rate hikes as the Fed shifts its focus to preventing the economy from overheating.
- Chinese equities moved in step with the global equity market's decline, retreating by 6.95% (USD-terms) over January. The world's attention will be on Beijing this February as it hosts the upcoming 2022 Winter Olympics.
- The Bloomberg Commodity Index rose for the second consecutive month, gaining 7.76% in January. Oil (WTI), one of its major constituents, rallied by 17.21% to close the month at USD 88.15 per barrel.

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## MANAGEMENT REPORT

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

#### CORPORATE INFORMATION

Sun Life Prosperity World Equity Index Feeder Fund Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 4, 2018 in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980 and the Foreign Investments Act of 1991 (Republic Act No. 7042, as amended), approved on June 13, 1991. Its primary purpose is to issue its own securities and offer them for sale to the public, and generally to carry on the business of an open-end investment company in all the elements and details thereof.

On March 13, 2018, the Board of Directors approved the amendment of the corporate name of DECA Homebuilder Fund, Inc. to Sun Life Prosperity World Equity Index Feeder Fund, Inc. which was approved by SEC on March 15, 2019.

1. Plan of Operation. For the next twelve (12) months, management will endeavor to commence operation.
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 at the same time maintaining the maximum level of investments and minimum level of cash.

FINANCIAL STATEMENT ANALYSIS

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

Material Changes in the 1<sup>st</sup> Quarter Financial Statements

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

Attributable to shareholders:

For the Period Ended	31-Mar-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	49,263,738	49,263,738	-	0.00%	Liquidity requirements were met.
<b>Total Assets</b>	<b>49,263,738</b>	<b>49,263,738</b>	-	<b>0.00%</b>	
<b>Total Liabilities</b>	-	-	-	-	
Net assets attributable to shareholders	49,263,738	49,263,738	-	0.00%	No movement in NAV
<b>Net Assets</b>	<b>49,263,738</b>	<b>49,263,738</b>	-	<b>0.00%</b>	
<b>Net Assets Value per Share</b>	<b>0.9853</b>	<b>0.9853</b>	-	<b>0.00%</b>	

Attributable to unit holders:

For the Period Ended	31-Mar-22	31-Dec-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	250,653,201	215,335,446	35,317,755	16.40%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	3,537,859,479	3,644,640,467	(106,780,988)	-2.93%	The decrease was due to net disposals of investment in global mutual fund.
Due from brokers	8,043,326	-	8,043,326	0.00%	
Prepayments and other current assets	182,552	80,498	102,054	126.78%	This account pertains to prepaid tax to be applied in the future income tax payable of the fund.
<b>Total Assets</b>	<b>3,796,738,558</b>	<b>3,860,056,411</b>	<b>(63,317,853)</b>	<b>-1.64%</b>	
Accrued expenses and other payables	23,219,327	15,192,087	8,027,240	52.84%	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	3,978,104	4,190,387	(212,283)	-5.07%	The decrease was due to lower AUM during the period.
Due to brokers	12,227,668	-	12,227,668	0.00%	
<b>Total Liabilities</b>	<b>39,425,099</b>	<b>19,382,474</b>	<b>20,042,625</b>	<b>103.41%</b>	
Net assets attributable to unit holders	3,757,313,459	3,840,673,937	(83,360,478)	-2.17%	
<b>Net Assets</b>	<b>3,757,313,459</b>	<b>3,840,673,937</b>	<b>(83,360,478)</b>	<b>-2.17%</b>	The movement represents the net income earned negated by the net withdrawals of investors during the period.
<b>Net Assets Value per Unit</b>	<b>1.3679</b>	<b>1.3982</b>	<b>-0.0303</b>	<b>-2.17%</b>	

Material Changes in the 2021 Financial Statements

Statement of Financial Position and Statements of Changes in Equity – December 31, 2021 vs. December 31, 2020

Attributable to shareholders:

For the Period Ended	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	49,263,738	49,213,406	50,332	0.10%	Liquidity requirements were met.
<b>Total Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Net assets attributable to shareholders	49,263,738	49,213,406	50,332	0.10%	The increase represents the net income earned during the year.
<b>Net Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Net Assets Value per Share</b>	<b>0.9853</b>	<b>0.9843</b>	<b>0.0010</b>	<b>0.10%</b>	

Attributable to unit holders:

For the Period Ended	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	215,335,446	45,066,594	170,268,852	377.82%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	3,644,640,467	573,307,540	3,071,332,927	535.72%	The increase was due to net acquisition of investment in global mutual fund and unrealized gains during the year.
Prepayments and other current assets	80,498	-	80,498	0.00%	This account pertains to prepaid tax to be applied in the future income tax payable of the fund.
<b>Total Assets</b>	<b>3,860,056,411</b>	<b>618,374,134</b>	<b>3,241,682,277</b>	<b>524.23%</b>	
Accrued expenses and other payables	15,192,087	22,599,510	(7,407,423)	-32.78%	The decrease was due to settlement of 2020 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	4,190,387	652,075	3,538,312	542.62%	The increase was due to higher AUM during the year.
<b>Total Liabilities</b>	<b>19,382,474</b>	<b>23,251,585</b>	<b>-3,869,111</b>	<b>-16.64%</b>	
Net assets attributable to unit holders	3,840,673,937	595,122,549	3,245,551,388	545.36%	
<b>Net Assets</b>	<b>3,840,673,937</b>	<b>595,122,549</b>	<b>3,245,551,388</b>	<b>545.36%</b>	The increase represents the net income earned and net contributions of investors during the year.
<b>Net Assets Value per Unit</b>	<b>1.3982</b>	<b>1.1296</b>	<b>0.2686</b>	<b>23.78%</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 Three Months ended – March 31, 2022 vs. March 31, 2021

Below table is attributable to shareholders:

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	-	15,698	(15,698)	-100.00%	No interest income earned as of March 2022
<b>Provision for Income Tax</b>	-	3,140	(3,140)	-100.00%	Final taxes of interest income earned from cash deposits.
<b>Net Investment Income (Loss)</b>	-	12,558	(12,558)	-100.00%	

Below table is attributable to unit holders:

	31-Mar-22	31-Mar-21	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	26,380,943	9,998,534	16,382,409	163.85%	The increase was brought by the trading gains on the sale of its investments coupled with the realized foreign exchange gains earned during the period.
<b>Investment Expenses</b>	349,256	390,104	(40,848)	-10.47%	The decrease was driven by lower commissions incurred for the period. Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
<b>Operating Expenses</b>	12,001,824	3,494,963	8,506,861	243.40%	Higher management fees have resulted from the increase in average AUM coupled with increase in custodianship fees, directors' fees and taxes and licenses.
<b>Net Unrealized Gains (Losses) on Investments</b>	(6,841,365)	40,459,958	(47,301,323)	-116.91%	The decrease was due to the impact of unfavorable market condition on its investment in global mutual fund during the period.
<b>Provision for Income Tax</b>	13,145	1,687	11,458	679.19%	Final taxes of interest income earned from bank deposits.
<b>Net Investment Income (Loss)</b>	7,175,353	46,571,738	(39,396,385)	-84.59%	

Statement of Comprehensive Income for the Years ended – December 31, 2021 vs. December 31, 2020

Attributable to shareholders:

For the Period Ended	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	49,263,738	49,213,406	50,332	0.10%	Liquidity requirements were met.
<b>Total Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Total Liabilities</b>	-	-	-	-	
Net assets attributable to shareholders	49,263,738	49,213,406	50,332	0.10%	The increase represents the net income earned during the year.
<b>Net Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Net Assets Value per Share</b>	<b>0.9853</b>	<b>0.9843</b>	<b>0.0010</b>	<b>0.10%</b>	

Attributable to unit holders:

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	67,049,426	(9,320)	67,058,746	719514.44%	The increase was brought by the trading gains on the sale of its investments coupled with the realized foreign exchange gains earned during the year.
<b>Investment Expenses</b>	1,982,115	259,795	1,722,320	662.95%	The increase was driven by higher commissions incurred for the period. Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
<b>Operating Expenses</b>	35,941,310	8,493,418	27,447,892	323.17%	Higher management fees have resulted from the increase in average AUM coupled with increase in custodianship fees, directors' fees and taxes and licenses and such increase was netted with the decline in foreign exchange loss incurred during the year.
<b>Net Unrealized Gains (Losses) on Investments</b>	435,765,270	54,389,694	381,375,576	701.19%	The increase was due to the impact of favorable market condition on its investment in global mutual fund during the year.
<b>Provision for Income Tax</b>	30,811	2,019	28,792	1426.03%	Final taxes of interest income earned from bank deposits.
<b>Net Investment Income (Loss)</b>	<b>464,860,460</b>	<b>45,625,142</b>	<b>419,235,318</b>	<b>918.87%</b>	

Average daily net asset value attributable to shareholders from January to March 2022 and January to March 2021 is PHP 49,192,366 and PHP 49,154,045, respectively.

Average daily net asset value attributable to unit holders from January to March 2022 and January to March 2021 is P73,380,021 and P66,246,557, respectively.

Average daily net asset value attributable to shareholders in 2021 and 2020 is P49,173,240 and P49,020,616, respectively.

Average daily net asset value attributable to unit holders in 2021 and 2020 is P2,313,888,809 and 295,910,752.71, 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.

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 10-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.

Given the Fund's objective to invest in a target fund that tracks the MSCI All-Country World Index (ACWI), its performance is measured against 95% MSCI ACWI (PhP Terms) + 5% 30-day USD Deposit.

	<b>Total Return vs Benchmark</b>	
	<b>Benchmark: 95% MSCI All Country World Index (PhP) + 5% USD SSA</b>	<b>Sun Life Prosperity World Equity Index Feeder Fund, Inc.</b>
<b>5-Year Return</b>	-	-
<b>3-Year Return</b>	-	-
<b>1-Year Return</b>	13.67%	13.69%
<b>YTD Return</b>	-2.98%	-2.98%
<b>Since Inception Return</b>	44.17%	39.79%

\*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 bond fund, like the 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).
5. Asset Size. Open-ended mutual funds grow their asset size in two ways:
  - i. 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.
  - ii. 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, SLOCPI 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 NAVPU, 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 (NAVPU) of the Fund's subscribed units for each quarter in 2022, 2021 and 2020:

	2022		2021		2020	
	High	Low	High	Low	High	Low
Q1	P1.4029	P1.2415	P1.2085	P1.1272	P1.2085	P1.1272
Q2	-	-	P1.2815	P1.2001	P1.2815	P1.2001
Q3	-	-	P1.3598	P1.2843	P1.3598	P1.2843
Q4	-	-	P1.3979	P1.2910	P1.3979	P1.2910

The Fund's NAVPU is published daily through Business World, PSE Website, Philippine Daily Inquirer and Sun Life Websites.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020.  
2. Holders. There are approximately 5,190 shareholders 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 pre-emptive 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) (2).

# COVER SHEET

**CS201725847**

S.E.C. Registration Number

S	U	N		L	I	F	E		P	R	O	S	P	E	R	I	T	Y		W	O	R	L	D					
E	Q	U	I	T	Y		I	N	D	E	X		F	E	E	D	E	R		F	U	N	D	,		I	N	C	.

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

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

<b>Merobhe T. Esmele</b>
Contact Person

<b>8555-8888</b>
Company Telephone Number

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

<b>SEC FORM 17-A</b>
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

Total Amount of Borrowings		
Domestic		Foreign

To be accomplished by SEC Personnel concerned

File Number									

\_\_\_\_\_ LCU

Document I.D.									

\_\_\_\_\_ Cashier

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

Remarks = pls. use black ink for scanning purposes

SEC Number: **CS201725847**

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

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

(Company's Full Name)

**8<sup>th</sup> Floor, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City, Metro Manila, 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 CS201725847
3. BIR Tax Identification No. 009-766-502-00000
4. Exact name of registrant as specified in its charter

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER 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

Title of Each Class	Number of Shares / Units Outstanding (as of December 31, 2021)
<u>Common Shares, P0.01 Par Value</u>	<u>50,000,000 shares</u>
<u>Units, PHP 1.00 initial value</u>	<u>2,746,782,392.53 units</u>

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 World Equity Index Feeder 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 August 4, 2017 under SEC Registration No. CS201725847.

Sun Life Asset Management Company, Inc. ("SLAMCI"), a wholly owned subsidiary of Sun Life of Canada (Philippines), Inc. ("SLOCPI"), acts as the Fund Manager and Principal Distributor. The Fund's investment objective is to invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI). The MSCI ACWI is a market-capitalization weighted stock market index designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is designed to provide a broad measure of equity-market performance throughout the world. Total Revenue attributable to shareholders as of December 31, 2021 were mainly from Interest Income from Bank Deposits. Total revenue attributable to unit holders is composed of the following:

Trading Gain	99.68%
Interest Income from Bank Deposits	.32%

The Fund was incorporated on August 4, 2017 with 200,000,000 authorized shares at par value of P0.01 per share attributable to shareholders and 100,000,000,000 Offer Units at P1.00 initial offer price per unit.

The Fund started its commercial operations on July 6, 2020.

As at December 31, 2021, out of the present 200,000,000 authorized shares, the Company has 50,000,000 issued and outstanding shares, with par value of P0.01 per share attributable to shareholders. And out of the present 100,000,000,000 Offer Units, the Company has 2,746,782,392.53 subscribed units.

**The Fund only offers units of participation. The Participation Units consist of One Hundred Billion (100,000,000,000) units, to be offered at current Net Asset Value per Unit.**

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

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 principally competes directly with other mutual funds in the Philippines and with the Unit Investment Trust Funds (“UITFs”) offered by commercial banks, in terms of returns and the associated risks of the return. The Fund’s market strength is its wide distribution network that provides strategic distribution of Fund units and the financial stability and reputation of its Investment Company Adviser, SLAMCI. 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 participates in the mutual funds sector, which is a sub-sector of the financial services industry. There are no national 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.

There are many potential advantages to investing in mutual funds and in the Offer Units. However, in deciding to invest, the investor is strongly advised to also consider the risks involved in investing in mutual funds, and in the Offer Units, 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 Risk:** Market risk is the risk of possible decline in the value of the Fund due to fluctuations in prices of the fund’s assets.

**Equity Price Risk:** For equity investments, changes in prices of equity refer to the equity investments held by the Fund either for strategic or trading purposes. These equity investments, if any, are subject to the daily price fluctuations, as determined by market forces. Hence, prices may vary as a result of the general economic and political conditions, as well as developments in the company’s operations and overall profitability. To manage this risk, the equity investments included in the Fund’s portfolio are carefully selected based on their fundamental soundness.

**Foreign Exchange Risk:** The Fund is exposed to foreign exchange risk arising from fluctuations in foreign exchange rates. Significant fluctuation in the exchange rates could significantly affect the Fund’s financial position. Investors should note that the Fund is denominated in Philippine Peso and invests in a Target Fund denominated in US Dollars. **The foreign currency position of the Fund (i.e. PHP vs USD) will not be hedged. Thus, investors are fully exposed to fluctuations in the USD/PHP exchange rate.**

**Liquidity Risk:** The Fund is usually able to service redemptions of investors within seven (7) banking days after receiving the notice of redemption by paying out redemptions from available cash or cash equivalents. When redemptions exceed these liquid holdings, the Funds will have to sell less-liquid assets, and during periods of extreme market volatility, the Funds may not be able to find a buyer for such assets. As such, the Funds 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 risk, the Fund maintains adequate highly liquid assets in the form of cash, cash equivalents and near cash assets in its portfolio.

**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 units 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. To mitigate this risk, the Fund may impose single investor limits to the ownership of the fund, when necessary. This limits the extent to which redemptions from any single investor can impact the Fund’s cash flow. The Fund may also impose an anti-dilution levy or fee for significant orders, to protect the interest of the remaining investors of the Fund, when necessary.

**Non-Guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the 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.

**Regulatory Risk:** The Funds' operations are subject to various regulations, such as those affecting accounting of assets and taxation. These regulations do change, and as a result, investors may experience lower investment returns or even losses depending on what such a regulatory change entails. For example, higher taxes would lower returns, and a mandated precautionary loan loss provisions could result in the Fund experiencing a loss in the value of assets. To mitigate this risk, the Fund 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. The Fund's investment manager, SLAMCI, also takes an active participation in the Philippine Investment Funds Association, Inc. ("PIFA"), an association of mutual fund companies in the Philippines.

**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 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 levels of self-insurance, is maintained to provide protection against potential losses.

**Taxation Risk:** Gains realized by investors upon redemption of shares in a mutual fund are not subject to personal income tax (R.A. 8424). However, since the fund will only issue units, investors are advised to consult their own professional advisers as to the tax implications of subscribing for, purchasing, holding, and redeeming units of the Fund.

**Counterparty Risk:** The Fund is exposed to risks arising from solvency of its counterparties (e.g. custodian, broker, banks) and their ability to respect the conditions of contracts or transactions. 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.

**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.

To mitigate this risk, the Fund will only invest in securities that are domiciled in a country that is regulated by a credible regulatory authority.

**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. The Fund manages this risk by complying with the exposure limits determined by the investment manager.

**Passive Management Risk:** Some Funds may invest in other mutual funds that are not actively managed, such as index funds. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a Fund that invests in such passively managed fund.

**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 Fund manages this risk by conducting comprehensive due diligence on the underlying funds as well as their respective investment managers.

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:** The Fund's investment objective is to invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI). The Fund is for retail and corporate investors, and is classified as an aggressive investment.

## **Item 2. Properties**

The Fund has financial assets in the form of cash, fixed income securities, and equity securities. 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 between them. 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

During the Annual Stockholders' Meeting held on 14 July 2021, the required quorum of majority of the outstanding capital stock was met, the following were elected as directors for the term 2021 to 2022: Benedicto C. Sison, Ma. Josefina A. Castillo, Gerald L. Bautista, Oscar M. Orbos (independent), Oscar S. Reyes (independent) and Aleli Angela G. Quirino (independent).

### PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

##### 1. Market Information

The units of the Fund are traded over-the-counter, hence, there is no public trading for the registrant's units. 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 (NAVPU) of the Fund's subscribed units for each quarter within the last two calendar years:

	2021		2020	
	High	Low	High	Low
Q1	1.2085	1.1272	-	-
Q2	1.2815	1.2001	-	-
Q3	1.3598	1.2843	1.0527	0.9810
Q4	1.3979	1.2910	1.1296	0.9899

The Fund's NAVPU is published daily through Business World, PSE Website, Philippine Daily Inquirer and Sun Life Websites.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020.

##### 2. Holders

The Fund has approximately 7 shareholders and 812 unit holders 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 Sun Life Prosperity Funds, including the 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.

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
Attributable to shareholders	
100%	-
Attributable to unit holders	
16.44%	83.56%

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

### 3. Dividends

The unitholders are not entitled to any dividends. The Fund may allow non-guaranteed unit-paying and/or income-paying feature/s if so declared and approved by the Board of Directors of the Fund, and accordingly permitted by the Securities and Exchange Commission.

### 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 Unit (NAVPU.)** NAVPU is computed by dividing net assets (total assets less total liabilities) by the total number of units issued, as of the end of the reporting day. Any increase or decrease in NAVPU translates to a prospective capital gain or capital loss, respectively, for the Fund's unit holders.
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 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 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 losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.



## **FINANCIAL MARKETS REVIEW (2021)**

### **INVESTMENT APPROACH**

The Sun Life Prosperity World Equity Index Feeder Fund aims to generate long-term capital appreciation by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

### **PERFORMANCE REVIEW**

Global equities (MSCI All-Country World Index) continued its strong performance, generating total returns of 19.05% in 2021 as the global economy reopened. Major central banks were instrumental in the recovery as they implemented a range of crisis monetary policies (bond buying programs, interest rate/reserve requirement cuts, etc.) to keep financial conditions easy and stimulate economic activity. Governments also acted swiftly, borrowing aggressively to finance their COVID response and economic rehabilitation programs. While these measures facilitated the sharp rebound in aggregate demand, it also resulted in wider budget deficits and higher debt levels in almost all countries. Nonetheless, fiscal spending was instrumental in restoring consumer confidence and rebooting spending patterns. Despite these strong measures, the recovery remained uneven, with developed markets leading the way due to higher vaccination rates, more coordinated covid response and aggressive stimulus programs. Emerging market returns were challenged, as both pandemic response and economic outcomes lagged their DM peers.

For the year, the Fund returned 25.56% increasing its NAVPS to \$1.3979/share.

### **OUTLOOK**

Moving into 2022, we see a continuation of the uneven global recovery, an accelerated central bank tightening cycle and geopolitical tensions as key headwinds for the market. Headline growth will likely moderate, though still remain above historical levels as stimulus effects soften, and base effects kick in. Given these risks, we are cautiously optimistic about this year's prospects and have rebalanced the portfolio towards more defensive outlets.

Markets which lagged the COVID-19 recovery story, such as emerging Asia and Japan can play catch-up in terms of growth numbers. We prefer exposure to regions with relatively stronger household balance sheets, and above-trend earnings prospects. Global asset flows may continue towards more defensive and value-oriented sectors of the market.

An unlikely, but still possible, delay in the FED's tightening cycle in the form of a new COVID outbreak or material deceleration in price pressures, could reverse the trend and facilitate the continuation of the strong equity market rally we've seen in the past few years.

For global equities, we expect the MSCI All Country World index to end the year at ~732 and EPS to grow by 8%.

## FINANCIAL STATEMENT 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

Attributable to shareholders:

For the Period Ended	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	49,263,738	49,213,406	50,332	0.10%	Liquidity requirements were met.
<b>Total Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Total Liabilities</b>	-	-	-	-	
Net assets attributable to shareholders	49,263,738	49,213,406	50,332	0.10%	The increase represents the net income earned during the year.
<b>Net Assets</b>	<b>49,263,738</b>	<b>49,213,406</b>	<b>50,332</b>	<b>0.10%</b>	
<b>Net Assets Value per Share</b>	<b>0.9853</b>	<b>0.9843</b>	<b>0.0010</b>	<b>0.10%</b>	

Attributable to unit holders:

For the Period Ended	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
Cash in banks	215,335,446	45,066,594	170,268,852	377.82%	Liquidity requirements were met.
Financial assets at fair value through profit or loss	3,644,640,467	573,307,540	3,071,332,927	535.72%	The increase was due to net acquisition of investment in global mutual fund and unrealized gains during the year.
Prepayments and other current assets	80,498	-	80,498	0.00%	This account pertains to prepaid tax to be applied in the future income tax payable of the fund.
<b>Total Assets</b>	<b>3,860,056,411</b>	<b>618,374,134</b>	<b>3,241,682,277</b>	<b>524.23%</b>	
Accrued expenses and other payables	15,192,087	22,599,510	(7,407,423)	-32.78%	The decrease was due to settlement of 2020 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	4,190,387	652,075	3,538,312	542.62%	The increase was due to higher AUM during the year.
<b>Total Liabilities</b>	<b>19,382,474</b>	<b>23,251,585</b>	<b>-3,869,111</b>	<b>-16.64%</b>	
Net assets attributable to unit holders	3,840,673,937	595,122,549	3,245,551,388	545.36%	
<b>Net Assets</b>	<b>3,840,673,937</b>	<b>595,122,549</b>	<b>3,245,551,388</b>	<b>545.36%</b>	The increase represents the net income earned and net contributions of investors during the year.
<b>Net Assets Value per Unit</b>	<b>1.3982</b>	<b>1.1296</b>	<b>0.2686</b>	<b>23.78%</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**

Attributable to shareholders:

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	62,915	165,796	(102,881)	-62.05%	The decrease was brought by the decline in interest income earned for the year.
<b>Operating Expenses</b>	-	169,883	(169,883)	-100.00%	Amount in 2020 pertains to reimbursable pre-operating expenses. No operating expense was charged to shareholders during the year.
<b>Provision for Income Tax</b>	12,583	33,159	(20,576)	-62.05%	Final taxes of interest income earned from cash deposits.
<b>Net Investment Income (Loss)</b>	<b>50,332</b>	<b>(37,246)</b>	<b>87,578</b>	<b>-235.13%</b>	

Attributable to unit holders:

	31-Dec-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Audited	Audited			
<b>Investment Income</b>	67,049,426	(9,320)	67,058,746	-719514.44%	The increase was brought by the trading gains on the sale of its investments coupled with the realized foreign exchange gains earned during the year.
<b>Investment Expenses</b>	1,982,115	259,795	1,722,320	662.95%	The increase was driven by higher commissions incurred for the period. Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
<b>Operating Expenses</b>	35,941,310	8,493,418	27,447,892	323.17%	Higher management fees have resulted from the increase in average AUM coupled with increase in custodianship fees, directors' fees and taxes and licenses and such increase was netted with the decline in foreign exchange loss incurred during the year.
<b>Net Unrealized Gains (Losses) on Investments</b>	435,765,270	54,389,694	381,375,576	701.19%	The increase was due to the impact of favorable market condition on its investment in global mutual fund during the year.
<b>Provision for Income Tax</b>	30,811	2,019	28,792	1426.03%	Final taxes of interest income earned from bank deposits.
<b>Net Investment Income (Loss)</b>	<b>464,860,460</b>	<b>45,625,142</b>	<b>419,235,318</b>	<b>918.87%</b>	

Average daily net asset value attributable to shareholders in 2021 and 2020 is P49,173,240 and P49,020,616, respectively.

Average daily net asset value attributable to unit holders in 2021 and 2020 is P2,313,888,809 and 295,910,752.71, 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 Group 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 Fund.

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

The Fund 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 Fund is governed by the following fundamental investment policies:

1. As a **Feeder Fund**, the Fund shall be subject to the following:
  - a. The Fund shall invest more than ninety percent (90%) of its net assets in a single collective investment scheme
  - b. The single entity limit of fifteen percent (15%) shall not be applicable;
  - c. The Target Fund:
    - i. shall not be a feeder fund or co-managed fund;
    - ii. is a CIS established by another fund manager/s, asset management company/ies or fund operator/s;
    - iii. shall provide ample protection to the investors of the feeder fund. If the Target Fund is a foreign fund, the securities regulator approving the said fund shall have been assessed to have broadly implemented the IOSCO Principles relevant to collective investment schemes;
    - iv. The Target Fund publishes Quarterly/Semi-Annual and Annual Reports;
    - v. The investment objective of the target fund is aligned with that of the feeder fund.
  - d. The Target Fund is supervised by a regulatory authority, as follows:
    - i. A local Target Fund shall either be registered with the Commission or approved by the Bangko Sentral ng Pilipinas;
    - ii. A Target Fund constituted in another economy shall be registered/authorized/approved, as the case may be in its home jurisdiction by a regulatory authority that is an ordinary or associate member of the IOSCO
  - e. Investments in Target Funds shall be held for safekeeping by an institution registered/authorized/approved by a relevant regulatory authority to act as third party custodian.
  - f. The custodian can liaise with the offshore target fund on the transactions of the feeder fund.
  - g. In compliance with SEC Memorandum Circular 11, Series of 2019, "Amendments to ICA Rule 7.9", the Fund Manager can invest the funds of the feeder fund, fund-of-funds or co-managed funds to a target fund that is administered by the Fund manager or its related party/company provided that:
    - i. There shall be no cross-holding between the feeder fund or fund-of-funds and the target funds where cross-holding refers to the holding securities in another by two (2) or more funds;
    - ii. All initial charges on the target fund are waived; and
    - iii. The management fee shall be charged only once, either at the level of the feeder fund, fund-of-funds, co-managed funds or at the level of the target fund.
2. The Fund shall not issue senior securities.
3. The Fund shall not incur any further debt or borrowing unless at the time of its incurrence or immediately thereafter there is an asset coverage of at least three hundred percent (300%) for all its borrowings. In the event that such asset coverage shall at any time fall below three hundred percent (300%), the Fund shall within three (3) days thereafter, reduce the amount

of its borrowings to an extent that the asset coverage of such borrowings shall be at least three hundred percent (300%).

4. The Fund shall not participate in any underwriting or selling group in connection with the public distribution of securities, except its own offer units.
5. The Fund will generally maintain a diversified portfolio. Geographic and asset allocations may vary at any time depending on the investment manager's overall view.
6. The Fund shall not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any.
7. The Fund shall not purchase or sell commodity futures contracts.
8. 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.
9. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
10. The Fund may use various techniques to hedge investment risks.
11. The Fund will not change its investment objectives without the prior approval of a majority of its shareholders and prior notice to the SEC.

#### **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, 5<sup>th</sup> Avenue corner 26<sup>th</sup> Street, Bonifacio Global City, Taguig City, Philippines, has acted as external auditor of the Fund since its incorporation.

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 inclusive of VAT and out-of-pocket expenses amounted to P142,288 and P125,117, 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 ICA 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 Atty. Aleli Angela G. Quirino (independent director), Mr. Oscar Orbos (independent director), Atty. Oscar M. Orbos (independent director) and Mr. Oscar S. Reyes (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 Investment Company Adviser, 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/Chairman	61	2018 - present	4 terms
Valerie N. Pama	Filipino	Director/President	58	March 2022 – present	
Aleli Angela G. Quirino	Filipino	Independent Director	77	2018-present	4 terms
Oscar S. Reyes	Filipino	Independent Director	75	2018-present	4 terms
Cesar Luis F. Bate	Filipino	Independent Director	61	November 2021 – present	
Gerald L. Bautista	Filipino	Director	44	September 2020 – present	2 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	2018-present	4 terms

A brief write-up on the business experience of the incumbent directors and executive officers of Sun Life Prosperity World Equity Index Feeder Fund, Inc. follows:

#### **BENEDICTO C. SISON**

Chairman and Director (2018 to present)

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 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 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), 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). 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.

**ALELI ANGELA G. QUIRINO**

Independent Director (2018 to present)

Atty. Aleli Angela G. Quirino, is an Independent Director of Sun Life of Canada Prosperity Balanced Fund, Inc. (2010 to present); 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.; 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.; and Sun Life Prosperity World Equity Index Feeder Fund, Inc. (July 2021). She is also



an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Balanced Fund Corporation, and Grepalife Fixed Income Fund Corporation (“Grepalife Funds”) (2011 to present).

Atty. Quirino is currently an Of Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She also serves as Director of ELC Beauty, Inc./Estee Lauder Phils. (2002 to present), among others. She also serves as a Director of Neo Pacific Property Management Corporation (2007 to present). She is the Vice-Chairman (2015 – present) of the Board of Trustees and Immediate Past President (2009 to 2015) of the Ateneo de Manila Law Alumni Association, Inc., and is a Trustee and Corporate Secretary of the Assumption College, Inc. (1996 to present). She is an Advisory Council Member (2012-present) and Vice-President for AIPPI of the Intellectual Property Association of the Philippines, Inc. (2012 to present). She is the Trustee-Treasurer (1998 to present) of the Intellectual Property Foundation, Inc. She is a Philippine Councillor of the Asian Patent Attorney Association (2004 to present). She is also the Immediate Past President of the ASEAN Intellectual Property Association (2017-2019) and the ASEAN Philippine Intellectual Property Association, Inc. (2015 to 2017). She is an EXCO member of the Association Internationale de la Propriete Intellectuelle (2004 to present).

Atty. Quirino received her Bachelor of Arts and Bachelor of Science in Education (magna cum laude) from Assumption College and Bachelor of Laws (with honors) from the Ateneo de Manila University.

**OSCAR S. REYES**

Independent Director (2018 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.

**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.

**GERALD L. BAUTISTA**

Director (September 2020 to present)

Mr. Gerald L. Bautista, is the President and the Head of Distribution of Sun Life Asset Management Company, Inc. (October 2020). He is also a Director of the Sun Life Prosperity Peso Starter Fund, Inc., and Sun Life Prosperity World Equity Index Feeder Fund, Inc. (Sept 2020). He joined the company in 2008 and has been instrumental for the growth and expansion of the bank, brokerage and online channel business for Sun Life Asset Management. He took on the role as Head of the Agency channel in 2019; wherein he institutionalized sales growth strategies, risk policies and distribution channel management practices.

Mr. Bautista has been in the mutual fund industry for two decades now. Prior to joining the financial sector, he had a short stint with the government under the Foreign Service Institute, Dept. of Foreign Affairs as a research assistant. Thereafter, he joined the asset management industry as a Business Development Officer and subsequently handled Institutional Sales for Philam Asset Management, Inc. After his post-graduate program, he moved to the banking industry with Standard Chartered Bank handling Trust Marketing functions and was promoted as Product Manager handling various financial instruments, including - mutual funds, structured notes, time deposits and bancassurance products. In 2008, Sun Life Asset Management hired him to further develop and expand its distribution channels.

He is a graduate of De La Salle University, Manila with a Bachelor of Arts degree in Political Science. He took his higher education at Oxford Brookes University Business School in Oxford, United Kingdom where he obtained a Master's degree in Business Administration focusing on Global Marketing Strategy (with Merit). He is a Certified Investment Solicitor (CIS) with the Securities & Exchange Commission.

**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.

**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. 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 (2018 to 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:

1. Rizalina G. Mantaring
2. Benedicto C. Sison
3. Valerie N. Pama
4. Aleli Angela G. Quirino
5. Oscar M. Orbos

## **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, 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 two (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 Fund's executive officers and directors who are officers and/or employees of SLOCPI and/or SLAMCI do not receive any form of compensation as such from the time of their appointments up to the present.

The Fund's directors who are not officers and/or employees of SLOCPI and/or SLAMCI (i.e., "Independent Directors") receive a per diem for their attendance at regular or special meetings of the Board at the rate of P20,000 per meeting per Independent Director (the Fund has two [2] Independent Directors). There are no other forms of compensation which such Independent Directors are entitled to receive for meetings attended, other than said per diem and 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 Independent Director also serves, provided that each Independent Director shall receive only a maximum of P15,000 per quarter from all the Sun Life Prosperity Funds combined. There are no standard arrangements, employment contracts, termination of employment, change-in-control or other arrangements with the directors. Such remuneration to be paid for by the Fund may be adjusted in the future as may be warranted by existing fund levels and other factors.

Total per diem received by the Fund's directors for the year 2021 and 2020 are P 395,262 and P314,615, respectively as presented in the audited financial statements.

The Board had 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 (e) members of the Board who are external directors entitled to receive per diem, the Fund forecasts a total directors' per

diem of P240,000 for the year 2022. The external directors are also forecasted to receive a total of P14,615 as retainer's fees for 2022.

**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:**

<i>Title of Class</i>	<i>Name of Record Owner/Relationship with Issuer</i>	<i>Address</i>	<i>Name of Beneficial Owner/Relationship with Record Owner</i>	<i>Citizenship</i>	<i>Number of Shares Held</i>	<i>Percent of Class</i>
Common	SLAMCI	8 <sup>th</sup> Floor Sun Life Centre, 5 <sup>th</sup> Ave. Corner Rizal Drive, Bonifacio Global City, Taguig City	Both the Record (R) & Beneficial (B) Owner	Filipino	50,000,000	100%

Mr. Gerald L. Bautista, President of SLAMCI, has the power to vote or dispose of the shares or direct the voting or disposition of the shares held by SLAMCI. The directors may be reached through the Corporate Secretary, 6<sup>th</sup> Floor, Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive, Bonifacio Global City, Taguig City.

**2. Security Ownership of Management as of December 31, 2021:**

<b>Title of Class</b>	<b>Name of and Address of Record Owner</b>	<b>Number of Shares</b>	<b>Nature of Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common	Benedicto C. Sison	1	Beneficial (B) and Record (R)	Filipino and American	0.00%
Common	Candy S. Esteban	1	B & R	Chinese	0.00%
Common	Aleli Angela G. Quirino	1	B & R	Filipino	0.00%
Common	Oscar S. Reyes	1	B & R	Filipino	0.00%
Common	Cesar Luis F. Bate	1	B & R	Filipino	0.00%
Common	Gerald L. Bautista	1	B & R	Filipino	0.00%

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

**1. 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.

**2. Change in Control**

The Fund has no knowledge of any arrangement that may result in a change of control of the Fund.

## Item 12. Certain Relationships and Related Transactions

The following are the interlocking directors and officers of SLAMCI and the Fund:

Director/Officer	Fund	SLAMCI
Benedicto C. Sison	Chairman	Director
Gerald L. Bautista	Director	President
Jemilyn S. Camania	Compliance Officer and Data Protection Officer	Compliance Officer and Data Protection Officer
Sherwin S. Sampang	Treasurer	Treasurer
Anna Katrina C. Kabigting-Ibero	Corporate Secretary	Corporate Secretary
Frances Ianna S. Canto	Assistant Corporate Secretary	Assistant Corporate Secretary
Ria V. Mercado	Risk Officer	Risk Officer

Other than these interlocking directors and officers, management and members of the Board of Directors of the Fund are not involved in any companies that the Fund deals with.

## 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

**- SIGNATURE PAGE FOLLOWS -**





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

<b>Launch Date</b>	July 6, 2020	<b>Fund Classification</b>	Feeder Fund	<b>Early Redemption Fee</b>	1.00%
<b>Fund Size</b>	PHP 3,839,635,754.40	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Net Asset Value Per Unit</b>	1.3979	<b>Minimum Subsequent</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Management and Distribution Fee</b>	1.00%	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
<b>Fund Structure</b>	Mutual Fund (Units)	<b>Transfer Agency Fee</b>	0.15%	<b>Target Fund Ticker</b>	ACWD LN Equity
		<b>Minimum Holding Period</b>	30 days		

## What does the Fund invest in?

The **Sun Life Prosperity World Equity Index Feeder Fund** allows you to diversify your portfolio by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

The Fund is suitable for investors with an **aggressive risk profile** and long-term investment horizon. This is for investors who want to maximize potential returns by riding on the performance of the MSCI All Country World Index.

### Investment Mix

1. State Street Global Advisors – SPDR MSCI ACWI ETF, 94.92%
2. Cash and Other Liquid Assets, 5.08%

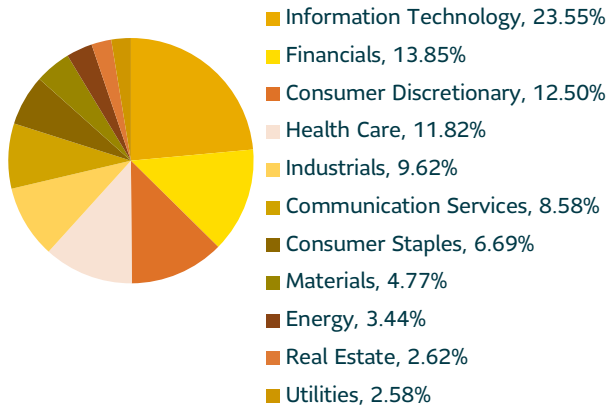
### Top 10 Holdings (Target Fund)

Data as of December 31, 2021

1. Apple, Inc., 4.18%
2. Microsoft Corp., 3.41%
3. Amazon.com, Inc., 2.16%
4. Alphabet, Inc. - Class A, 1.25%
5. Tesla, Inc., 1.24%
6. Alphabet, Inc. - Class C, 1.20%
7. Meta Platforms Inc. - Class A, 1.15%
8. Nvidia Corp., 1.05%
9. Taiwan Semiconductor Manu., 0.80%
10. UnitedHealth Group, Inc., 0.67%

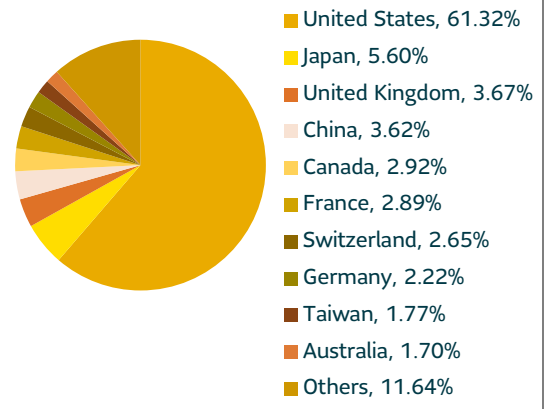
### Sector Allocation (Target Fund)

Data as of December 31, 2021

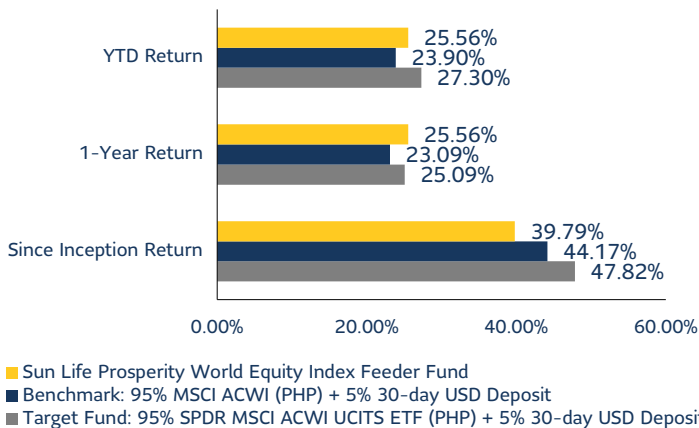


### Geographical Allocation (Target Fund)

Data as of December 31, 2021



## 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.

**Disclaimer:** The underlying target fund of the Sun Life Prosperity World Equity Index Feeder Fund is valued using the NAVPS as of previous day due to the time difference between the Philippines and the domicile country of the target fund. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review and Outlook

- Global equities resumed their steady upward march after their November pull back, posting a 4.02% return while fixed income declined 0.14%. All major markets ended the year strongly, led by Europe at 5.53%, U.S. at 3.95%, China at 2.27%, and Asia ex-Japan at 1.28%.
- Supply chain bottlenecks and persistent inflation pressures continue to be the primary causes of concern for the markets. Another COVID-19 variant, Omicron, continues to spread in several countries, risking the momentum of the global economic recovery.
- A month after commencing its tapering program, the U.S. Federal Reserve announced that it is speeding up the reduction of its net asset purchases by USD 20 Billion for treasury securities and USD 10 Billion for mortgage-backed securities. The switch to a more hawkish stance was made to address broadening inflation pressures, currently at a four-decade high (6.8%). This acceleration increases the likelihood of a possible rate hike in 1H 2022.
- Chinese equities rose by 2.27% (USD terms) and 2.13% (CNY terms) in December after muted returns of 1.12% (USD terms) and 0.47% (CNY terms) in November. The market saw some green shoots of optimism as the Chinese government toned down its regulatory clampdown and demonstrated some openness to policy measures on growth with the PBOC lowering the reserve requirement ratio by 50 basis points. Further monetary and fiscal support in 2022 is seen to help boost demand and prevent further downside risk to Chinese economic growth.
- The Bloomberg Commodity Index halted its slide from the previous month and gained a healthy 3.52% in December. Oil (WTI), one of the major constituents of the commodity index, jumped by around 15% from USD 65 per barrel at the start of December to USD 75 per barrel. This rally was supported by the global reopening and optimism that the Omicron variant would not delay the fragile economic recovery.

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This document contains key information clients of Sun Life Prosperity World Equity Index Feeder 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>	July 6, 2020	<b>Fund Classification</b>	Feeder Fund	<b>Early Redemption Fee</b>	1.00%
<b>Fund Size</b>	PHP 3,807,673,559.70	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Net Asset Value Per Unit</b>	1.3351	<b>Minimum Subsequent</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Management and Distribution Fee</b>	1.00%	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
<b>Fund Structure</b>	Mutual Fund (Units)	<b>Transfer Agency Fee</b>	0.15%	<b>Target Fund Ticker</b>	ACWD LN Equity
		<b>Minimum Holding Period</b>	30 days		

## What does the Fund invest in?

The **Sun Life Prosperity World Equity Index Feeder Fund** allows you to diversify your portfolio by investing in global companies across developed and emerging markets. The Fund gives you access to the global equities market in a single fund while enabling you to invest in Philippine pesos.

The Fund is suitable for investors with an **aggressive risk profile** and long-term investment horizon. This is for investors who want to maximize potential returns by riding on the performance of the MSCI All Country World Index.

### Investment Mix

1. State Street Global Advisors – SPDR MSCI ACWI ETF, 95.15%
2. Cash and Other Liquid Assets, 4.85%

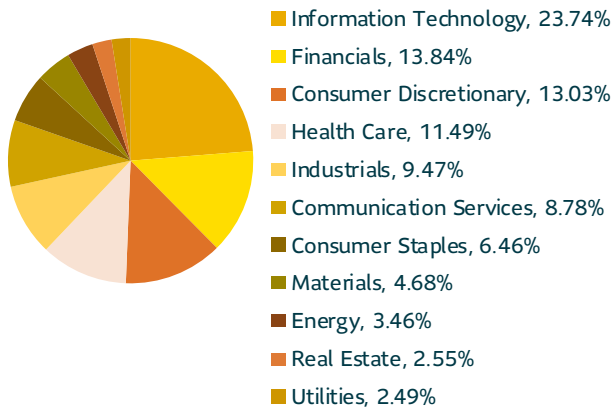
### Top 10 Holdings (Target Fund)

Data as of November 30, 2021

1. Apple, Inc., 4.05%
2. Microsoft Corp., 3.49%
3. Amazon.com, Inc., 2.36%
4. Tesla, Inc., 1.40%
5. Alphabet, Inc. - Class A, 1.28%
6. Alphabet, Inc. - Class C, 1.23%
7. Nvidia Corp., 1.21%
8. Meta Platforms Inc. - Class A, 1.15%
9. Taiwan Semiconductor Manu., 0.80%
10. JPMorgan Chase & Co., 0.70%

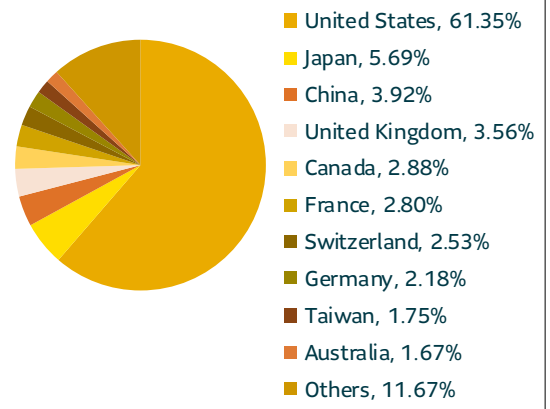
### Sector Allocation (Target Fund)

Data as of November 30, 2021

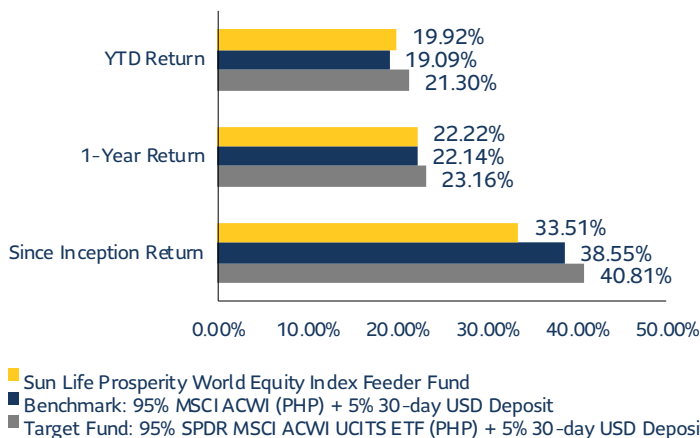


### Geographical Allocation (Target Fund)

Data as of November 30, 2021



## 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.

**Disclaimer:** The underlying target fund of the Sun Life Prosperity World Equity Index Feeder Fund is valued using the NAVPS as of previous day due to the time difference between the Philippines and the domicile country of the target fund. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review

- Global equities and fixed income pulled back in November, with the former experiencing a -2.51% decline while the latter saw a slight -0.29% dip. None of the world's major equity indices managed to defy the trend, with Europe, Asia ex-Japan, and the U.S. retracing by -4.54%, -3.92%, and -1.14%, respectively.
- Key concerns during the month were the persistence of supply chain driven inflation and the emergence of the coronavirus' Omicron variant. Further studies need to be conducted on the latter, though its discovery alone increases the risk of reimposition of lockdowns and a pause in the global economic recovery.
- The U.S. Federal Reserve (Fed) began tapering its asset purchase program in November. The program was a key factor which allowed the U.S. economy to sustain itself during the pandemic. Fed Chairman Jerome Powell was nominated for a second term, and he indicated a willingness to increase the pace of the taper to address heightened inflation, which he now tagged as "persistent" instead of "transitory". These developments may lead to a Fed rate hike sooner rather than later in 2022.
- Chinese equities defied the global downtrend in November, rising by 1.12% (USD terms) and 0.47% (CNY terms). However, the market remains lower from its 2021-high in September, prior to the emergence of the Evergrande debt issue. Regulatory and energy-related concerns remain the most notable market risks here.
- The Bloomberg Commodity Index declined by 7.31% in November, in large part due to Omicron variant concerns. Oil (WTI), one of the major constituents of the commodity index, slipped back below USD 70 per barrel following a brief run above the USD 80 per barrel level a few weeks earlier.

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<b>Launch Date</b>	July 6, 2020	<b>Fund Classification</b>	Feeder Fund	<b>Early Redemption Fee</b>	1.00%
<b>Fund Size</b>	PHP 3,709,403,805.34	<b>Minimum Subscription</b>	PHP 50,000	<b>Redemption Settlement</b>	T+5 business days
<b>Net Asset Value Per Unit</b>	1.3624	<b>Minimum Subsequent</b>	PHP 10,000	<b>NAVPU Applicability</b>	T+2 business days
<b>Benchmark</b>	95% MSCI ACWI (PHP Terms) + 5% 30-day USD Deposit Rate	<b>Management and Distribution Fee</b>	1.00%	<b>Target Fund</b>	SPDR MSCI All Country World Index UCITS ETF
<b>Fund Structure</b>	Mutual Fund (Units)	<b>Transfer Agency Fee</b>	0.15%	<b>Target Fund Ticker</b>	ACWD LN Equity
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### Investment Mix

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2. Cash and Other Liquid Assets, 4.29%

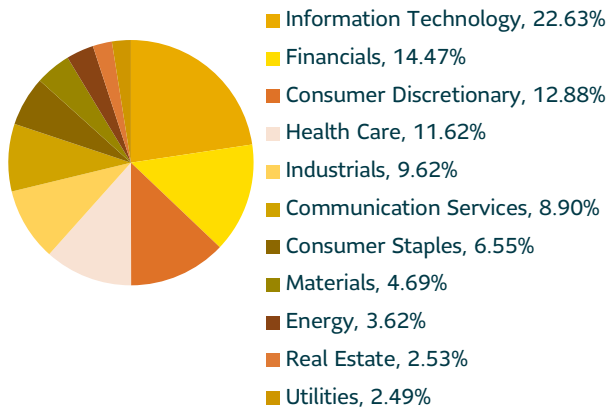
### Top 10 Holdings (Target Fund)

Data as of October 31, 2021

1. Apple, Inc., 3.62%
2. Microsoft Corp., 3.45%
3. Amazon.com, Inc., 2.22%
4. Tesla, Inc., 1.32%
5. Alphabet, Inc. – Class A, 1.30%
6. Alphabet, Inc. – Class C, 1.25%
7. Meta Platforms Inc. – Class A, 1.12%
8. Nvidia Corp., 0.92%
9. Taiwan Semiconductor Manu., 0.78%
10. JPMorgan Chase & Co., 0.73%

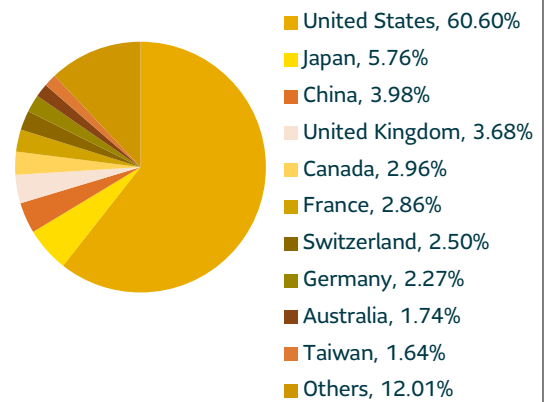
### Sector Allocation (Target Fund)

Data as of October 31, 2021

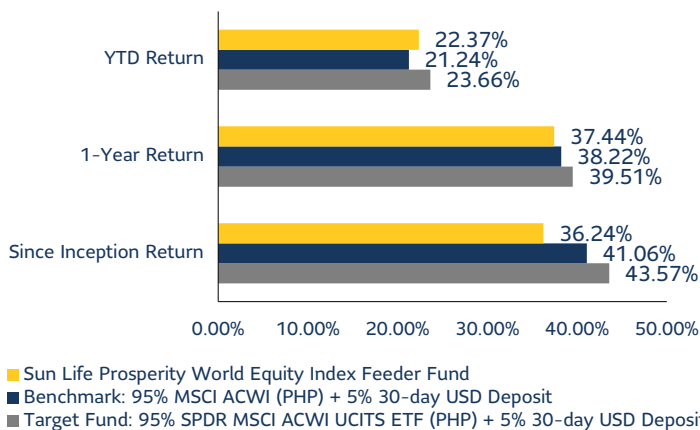


### Geographical Allocation (Target Fund)

Data as of October 31, 2021



## 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.

**Disclaimer:** The underlying target fund of the Sun Life Prosperity World Equity Index Feeder Fund is valued using the NAVPS as of previous day due to the time difference between the Philippines and the domicile country of the target fund. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review

- Global equities and fixed income diverged in the month of October, with equities rallying 5.12% while fixed income was flattish at -0.24%. Major equity indices delivered positive results, led by the U.S. at 6.97%, Europe at 4.67%, and Asia ex-Japan rounding out the group with a 1.36% gain.
- Inflation concerns intensified on the back of supply chain bottlenecks, and a global commodity boom that has put pressure on both producers and consumers. Stronger inflation could hamper global demand and put in peril the fragile global economic recovery.
- The October FOMC meeting was highlighted by the announcement of the tapering of the asset purchase program of the Fed starting November 2021. Target reduction would be approximately USD 10 billion in Treasuries and USD 5 billion in MBS purchases per month. While monetary policy remains accommodative, outright rate hikes may commence as early as 2H 2022.
- Chinese equities were relatively flat in October, ending at 0.02% (in USD terms) and -0.58% (in CNY terms). Increasing regulatory concerns, a power crisis, default risk in the property sector, and a slowing economy weighed on the minds of investors.
- The Bloomberg Commodity Index continued its rise, achieving a 2.58% return for October. Oil (WTI) drove these gains as the commodity jumped by 10% for the month, as supply issues resurfaced, and the reopening of the global economy gained traction.

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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:** CS201725847  
**Company Name:** SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND INC.  
**Document Code:** AFS

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Another email will be sent as proof of review and acceptance.

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**SECURITIES AND EXCHANGE COMMISSION**  
Secretariat Building, PICC Complex,  
Roxas Boulevard, Pasay City,  
1307, Metro Manila, Philippines

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# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 7 2 5 8 4 7

Company Name

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

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

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

Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N/A

### COMPANY INFORMATION

Company's Email Address

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

Company's Telephone Number/s

8555-8888

Mobile Number

0999-991-7178

No. of Stockholders

7

Annual Meeting  
Month/Day

Every Fourth Wednesday of June

Fiscal Year  
Month/Day

12/31

### CONTACT PERSON INFORMATION

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

Name of Contact Person

SHERWIN S. SAMPANG

Email Address

[Sherwin.Sampang@sunlife.com](mailto:Sherwin.Sampang@sunlife.com)

Telephone Number/s

8555-8888

Mobile Number

N/A

Contact Person's Address

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

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

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

## Joycelyn Alday

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**From:** Winnie Lyn J Yu  
**Sent:** Thursday, May 12, 2022 8:59 PM  
**To:** PHIL-FIN\_FAR2  
**Subject:** Fwd: 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 8:39:59 PM  
**To:** Winnie Lyn J Yu <WinnieLyn.Yu@sunlife.com>  
**Cc:** Winnie Lyn J Yu <WinnieLyn.Yu@sunlife.com>  
**Subject:** Your BIR AFS eSubmission uploads were received

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### Valid files

- EAFS009766502RPTTY122021.pdf
- EAFS009766502ITRTY122021.pdf
- EAFS009766502AFSTY122021.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-PSY11VQQ0CJ5K9A7LM23WQ2P30ADA8D7E6**

Submission Date/Time: **May 12, 2022 08:39 PM**

Company TIN: **009-766-502**

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- 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 World Equity Index Feeder 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.

**Benedicto C. Sison**, Chairman of the Board

Handwritten signature of Valerie N. Pama in cursive.

**Valerie N. Pama**, President

Handwritten signature of Sherwin S. Sampang in cursive.

**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. 236  
Page No. 49  
Book No. 17  
Series of 2022.

**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Extended Until June 30, 2022  
P.O. Box No. 3795  
PTB No. 886-07-0 Jan. 3, 2022 Makati City  
Appointment No. M-133 (2020-2021)  
IBP No. 185-624-Jan 3, 2018  
MCLE NO. VI-0023417 Roll 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 WORLD EQUITY INDEX FEEDER 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 World Equity Index Feeder 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 PSA 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 PSA, 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 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA 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:



Joeffrey 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 WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-End Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

	Notes	December 31			
		2021		2020	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<b>ASSETS</b>					
Cash in banks	6	<b>P49,263,738</b>	<b>P 215,335,446</b>	P49,213,406	P 45,066,594
Financial assets at fair value through profit or loss	7	-	<b>3,644,640,467</b>	-	573,307,540
Prepayments and other current assets		-	<b>80,498</b>	-	-
		<b>P49,263,738</b>	<b>P3,860,056,411</b>	P49,213,406	P618,374,134
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Accrued expenses and other payables	8	<b>P -</b>	<b>P 15,192,087</b>	P -	P 22,599,510
Payable to fund manager	9	-	<b>4,190,387</b>	-	652,075
Total Current Liabilities		-	<b>19,382,474</b>	-	23,251,585
<b>EQUITY</b>					
Net assets attributable to shareholders	10	<b>49,263,738</b>	-	49,213,406	-
Net assets attributable to unit holders	10	-	<b>3,840,673,937</b>	-	595,122,549
Total Equity		<b>49,263,738</b>	<b>3,840,673,937</b>	49,213,406	595,122,549
		<b>P49,263,738</b>	<b>P3,860,056,411</b>	P49,213,406	P618,374,134
<b>Net Asset Value Per Share / Unit</b>	11	<b>P0.9853</b>	<b>P1.3982</b>	P0.9843	P1.1296

*See Notes to Financial Statements.*

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**  
(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the Years Ended December 31

		2021	2020		2019		
	Notes	Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Investment Income - net</b>							
Interest income	12	P62,915	P155,137	P165,796	P 10,095	P 130,759	P -
Net realized gain (loss) on investments	7	-	66,894,289	-	(19,415)	-	-
		<b>62,915</b>	<b>67,049,426</b>	165,796	(9,320)	130,759	-
<b>Investment Expenses</b>							
Commission		-	1,982,115	-	259,795	-	-
		-	1,982,115	-	259,795	-	-
<b>Net Investment Income (Loss)</b>		<b>62,915</b>	<b>65,067,311</b>	165,796	(269,115)	130,759	-
<b>Operating Expenses</b>							
Management fees	9	-	17,670,606	-	1,053,567	-	-
Distribution fees	9	-	13,592,774	-	810,436	-	-
Foreign exchange loss - net		-	3,005,813	-	5,982,561	-	-
Custodian fees		-	579,465	-	129,296	-	-
Directors' fees	9	-	395,262	127,308	187,308	314,615	-
Professional fees		-	142,288	-	125,117	356,837	-
Taxes and licenses		-	98,549	41,575	-	34,996	-
Printing and supplies		-	7,465	-	167	39,648	-
Miscellaneous		-	449,088	1,000	204,966	2,882	-
		-	<b>35,941,310</b>	169,883	8,493,418	748,978	-
<b>Profit (Loss) Before Net Unrealized Gains on Investments</b>		<b>62,915</b>	<b>29,126,001</b>	(4,087)	(8,762,533)	(618,219)	-
<b>Net Unrealized Gains on Investments</b>	7	-	<b>435,765,270</b>	-	54,389,694	-	-
<b>Profit (Loss) before tax</b>		<b>62,915</b>	<b>464,891,271</b>	(4,087)	45,627,161	(618,219)	-
<b>Provision for income tax</b>		<b>12,583</b>	<b>30,811</b>	33,159	2,019	26,152	-
<b>Profit (Loss) attributable to Shareholders</b>		<b>50,332</b>	-	(37,246)	-	(644,371)	-
<b>Profit attributable to Unit Holders</b>		-	<b>464,860,460</b>	-	45,625,142	-	-
<b>Total Comprehensive Income (Loss) for the Year</b>		<b>P50,332</b>	<b>P464,860,460</b>	(P37,246)	P45,625,142	(P644,371)	P -
<b>Basic Earnings (Loss) per Share / Unit</b>	13	<b>P0.001</b>	<b>P0.261</b>	(P0.001)	P0.146	(P0.013)	P -

See Notes to Financial Statements.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020



**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY****For the Years Ended December 31**

<b>Shareholders</b>					
	<b>Notes</b>	<b>Capital Stock</b>	<b>Additional Paid-in Capital</b>	<b>Deficit</b>	<b>Total</b>
Balance, January 1, 2019	10, 11	P500,000	P49,500,000	(P104,977)	P49,895,023
Total Comprehensive Loss for the Year		-	-	(644,371)	(644,371)
Balance, December 31, 2019	10, 11	500,000	49,500,000	(749,348)	49,250,652
Total Comprehensive Loss for the Year		-	-	(37,246)	(37,246)
Balance, December 31, 2020	10, 11	500,000	49,500,000	(786,594)	49,213,406
Total Comprehensive Income for the Year		-	-	50,332	50,332
<b>Balance, December 31, 2021</b>	10, 11	<b>P500,000</b>	<b>P49,500,000</b>	<b>(P736,262)</b>	<b>P49,263,738</b>

**For the Years Ended December 31**

<b>Unit Holders</b>				
	<b>Notes</b>	<b>Principal</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance, January 1, 2020		P -	P -	P -
Total Comprehensive Income for the Year		-	45,625,142	45,625,142
Transactions with owners:				
Contributions	10	561,868,119	-	561,868,119
Withdrawals	10	(12,370,712)	-	(12,370,712)
Total Transactions with owners		549,497,407	-	549,497,407
Balance, December 31, 2020	10, 11	549,497,407	45,625,142	595,122,549
Total Comprehensive Income for the Year		-	464,860,460	464,860,460
Transactions with owners:				
Contributions	10	3,953,136,871	-	3,953,136,871
Withdrawals	10	(1,172,445,943)	-	(1,172,445,943)
Total Transactions with owners		2,780,690,928	-	2,780,690,928
<b>Balance, December 31, 2021</b>	10, 11	<b>P3,330,188,335</b>	<b>P510,485,602</b>	<b>P3,840,673,937</b>

*See Notes to Financial Statements.*

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-End Investment Company)

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31

	Notes	2021		2020		2019	
		Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Cash Flows from Operating Activities</b>							
Profit (Loss) before tax		P 62,915	P 464,891,271	(P 4,087)	P 45,627,161	(P 618,219)	P -
Adjustments for:							
Net unrealized gains on investments	7	-	(435,765,270)	-	(54,389,694)	-	-
Net realized (gains) losses on investments	7	-	(66,894,289)	-	19,415	-	-
Interest income	12	(62,915)	(155,137)	(165,796)	(10,095)	(130,759)	-
Operating cash flows before working capital changes		-	(37,923,425)	(169,883)	(8,753,213)	(748,978)	-
Increase in:							
Prepayments and other current assets		-	(80,498)	-	-	-	-
Increase (Decrease) in:							
Accrued expenses and other payables		-	(7,407,423)	(228,244)	22,599,510	151,165	-
Payable to fund manager		-	3,538,312	(1,371,216)	652,075	757,501	-
Cash generated from (used in) operations		-	(41,873,034)	(1,769,343)	14,498,372	159,688	-
Acquisitions of financial assets at fair value through profit or loss	7	-	(3,406,237,835)	-	(519,479,557)	-	-
Proceeds from disposal and maturities of financial assets at fair value through profit or loss	7	-	837,564,467	-	542,296	-	-
Interest income received	12	62,915	155,137	165,796	10,095	130,759	-
Income taxes paid		(12,583)	(30,811)	(33,159)	(2,019)	(26,152)	-
Net cash generated from (used in) operating activities		50,332	(2,610,422,076)	(1,636,706)	(504,430,813)	264,295	-
<b>Cash Flows from Financing Activities</b>							
Proceeds from the issuance of units	10	-	3,953,136,871	-	561,868,119	-	-
Payments on withdrawals of units	10	-	(1,172,445,943)	-	(12,370,712)	-	-
Net cash generated from financing activities		-	2,780,690,928	-	549,497,407	-	-
<b>Net Increase (Decrease) in Cash in banks</b>		<b>50,332</b>	<b>170,268,852</b>	<b>(1,636,706)</b>	<b>45,066,594</b>	<b>264,295</b>	<b>-</b>
<b>Cash in banks, Beginning</b>		<b>49,213,406</b>	<b>45,066,594</b>	<b>50,850,112</b>	<b>-</b>	<b>50,585,817</b>	<b>-</b>
<b>Cash in banks, End</b>		<b>P 49,263,738</b>	<b>P 215,335,446</b>	<b>P 49,213,406</b>	<b>P 45,066,594</b>	<b>P 50,850,112</b>	<b>P -</b>

See Notes to Financial Statements.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
(An Open-end Investment Company)

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NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

1. CORPORATE INFORMATION

Sun Life Prosperity World Equity Index Feeder Fund Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 4, 2017 in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980 and the Foreign Investments Act of 1991 (Republic Act No. 7042, as amended), approved on June 13, 1991 and started commercial operations on July 6, 2020. Its primary purpose is to issue its own securities and offer them for sale to the public, and generally to carry on the business of an open-end investment company in all the elements and details thereof.

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 9.

On March 13, 2018, the Board of Directors approved the amendment of the corporate name of DECA Homebuilder Fund, Inc. to Sun Life Prosperity World Equity Index Feeder Fund, Inc. which was approved by SEC on March 15, 2019.

**The Company's registered office address** and principal place of business is at the 2<sup>nd</sup> Floor, 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 assets measured at fair value.

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

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, except when otherwise indicated.

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

#### Adoption of 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 no impact on the Company's income tax expense, net income and net assets 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 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 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; does not have modifications of financial 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 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.

#### 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 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 losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. 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 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, 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.**

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 (deficit)*

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

### *Units of Participation*

Represents an undivided interest in the pool of investments assets earmarked for this type of security issued by the Company.

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

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

### Prepayments

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

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

## Provisions, Contingent Liabilities and Assets

### Provisions

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.

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

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

### Earnings (Loss) per Share

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

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

### Net Asset Value per Unit (NAVPU)

The Company computes its NAVPU by dividing the total net asset value attributable to unit holders as at the end of the reporting period by the number of its outstanding units.

### 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 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 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 attributable to shareholders is nil, while attributable to unit holders amounted to P3,644,640,467 and P573,307,540, respectively, as disclosed in Note 7.

### 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 17.

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 14 and 17, 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 Philippine Peso (PHP). The PHP is the currency of the primary economic environment in **which the Company operates. It is the currency being used to report the Company's results of operations.**

### Puttable shares designated as equity instruments

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

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

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

As at December 31, 2021 and 2020 the recognized amount of share capital attributable to shareholders in the statements of changes in equity amounted to P500,000 while the amount of net contributions attributable to unit holders amounted to P3,330,188,335 and P549,497,407, respectively, as disclosed in Note 10.

#### 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 17.

##### 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 17.

##### Estimating loss allowance for ECL

The measurement of the ECL 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. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 17 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 17.**

#### Deferred tax asset

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

**Based on Management's expectation of the Company's future taxable income, the Company did not recognize deferred tax asset as at December 31, 2021 and 2020, as disclosed in Note 15.**

#### 6. CASH IN BANKS

This account consists of:

	2021	2020
Attributable to shareholders		
Cash in banks	P49,263,738	P49,213,406
Attributable to unit holders		
Cash in banks	P215,335,446	P45,066,594

Cash in banks attributable to shareholders earned interest amounting to P62,915, P165,796 and P130,759 in 2021, 2020 and 2019, respectively, at an average rate of 0.13%, 0.33% and 0.25% in 2021, 2020 and 2019, respectively.

Cash in banks attributable to unit holders earned interest amounting to P155,137, P10,095 and nil at an average rate of 0.12%, 0.04% and nil in 2021, 2020 and 2019, respectively.

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

This account consists of:

	2021	2020
Attributable to unit holders		
Investments in global mutual fund	P3,644,640,467	P573,307,540

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

	2021	2020	2019
Attributable to unit holders			
Net realized gain (loss) on investments	P 66,894,289	(P 19,415)	P -
Net unrealized gain on investments	435,765,270	54,389,694	-
	P502,659,559	P54,370,279	P -



Net gains and losses on investments in equity securities are composed of investment in global mutual fund.

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

	2021	2020	2019
Attributable to unit holders			
Balance, January 1	P 573,307,540	P -	P -
Additions	3,406,237,835	519,479,557	-
Disposals	(770,670,178)	(561,711)	-
Unrealized gains	435,765,270	54,389,694	-
Balance, December 31	P3,644,640,467	P573,307,540	P -

#### 8. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2021	2020
Attributable to unit holders		
Due to investors	P14,453,625	P22,386,696
Withholding and documentary stamp taxes	337,761	55,081
Supervisory fees	243,510	13,227
Custodianship fees	81,681	55,480
Professional fees	75,510	89,026
	P15,192,087	P22,599,510

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.

#### 9. RELATED PARTY TRANSACTIONS

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

The related party below hold the following number of shares and current value of the Company as at December 31, 2021 and 2020:

Related party	2021		2020	
	Number of shares / units	Current Value	Number of shares / units	Current Value
Attributable to shareholders				
SLAMCI	49,999,994	P49,263,732	49,999,994	P49,213,400
Attributable to unit holders				
SLAMCI	50,298,401.99	P70,312,136	50,298,401.99	P56,818,238

The details of amounts and transactions with related parties attributable to shareholders are set out below.

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
Attributable to shareholders								
SLAMCI - Fund Manager								
Reimbursement of expenses	P -	P -	P748,978	P -	P -	Payable on demand; non-interest bearing; to be settled in cash	Unsecured; unguaranteed	a
Key Management Personnel								
<b>Directors' fees</b>	P -	P127,308	P314,615	P -	P -	Unsecured; unguaranteed	Unsecured; unguaranteed	b

The details of amounts and transactions with related parties attributable to unit holders are set out below.

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
Attributable to unit holders								
SLAMCI Fund Manager								
Management distribution and transfer fees	P31,263,380	P1,864,003	P -	P4,190,387	P652,075	Non-interest bearing; Annual rate of 1.15% of average daily net assets; settled in cash on or before the 15 <sup>th</sup> day of the following month	Unsecured; unguaranteed	a
Key Management Personnel								
<b>Directors' fees</b>	P 395,262	P 187,308	P -	P -	P -	Payable on demand; Settle in cash	Unsecured; Unguaranteed	b

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

a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.00% 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% 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 attributable to unit holders charged by SLAMCI to the Company in 2021, 2020 and 2019 amounted to P31,263,380, P1,864,003 and nil, respectively. Accrued management fees as at December 31, 2021 and 2020 amounting to P4,190,387 and P652,075, respectively, are shown as "Payable to fund manager" in the statements of financial position.

b. Reimbursement of pre-operating expenses

SLAMCI paid certain pre-operating expenses in behalf of the Company amounting to P748,978 in 2019. There were no payable to the fund manager in the statements of financial position attributable to shareholders as at December 31, 2021 and 2020.

c. Remuneration of Directors

Remuneration of directors attributable to shareholders is presented in the statements of comprehensive income under "Directors' fees" account amounting to nil, P127,308 and P314,615 in 2021, 2020 and 2019, respectively, and attributable to unit holders amounting to P395,262, P187,308 and nil in 2021, 2020 and 2019, respectively. These 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.

d. 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.

10. EQUITY

Movements are as follows:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
Attributable to shareholders						
Authorized:						
at P0.01 par value	200,000,000	P2,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Issued and outstanding	50,000,000	P 500,000	50,000,000	P 500,000	50,000,000	P 500,000
Attributable to unit holders						
Offer units:						
at P1.00 initial offer price	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000
At January 1	526,832,833.45	P 549,497,407	-	P -	-	P -
Contributions	3,108,144,959.12	3,953,136,871	538,553,785.33	561,868,119	-	-
Withdrawals	888,195,400.04	(1,172,445,943)	11,720,952.88	(12,370,712)	-	-
At December 31	2,746,782,392.53	P3,330,188,335	526,832,833.45	P549,497,407	-	P -

*Incorporation*

The Company was incorporated on August 4, 2017 with 200,000,000 authorized shares at par value of P0.01 per share attributable to shareholders and 100,000,000,000 Offer Units at P1.00 initial offer price per unit.

The Company started its commercial operations on July 6, 2020.

*Current state*

As at December 31, 2021, out of the present 200,000,000 authorized shares, the Company has 50,000,000 issued and outstanding shares, with par value of P0.01 per

share attributable to shareholders. Out of the present 100,000,000,000 Offer Units, the Company has 2,746,782,392.53 subscribed units.

The total number of unit holders is 4,477 and 812 as at December 31, 2021 and 2020, respectively.

The total number of shareholders is 7 as at December 31, 2021 and 2020.

#### *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 any other securities convertible into or carrying options or warrants to purchase shares of the registrant.

- c. Right of redemption

The holder of any shares of the Company, 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.

#### *Redeemable Units*

Redeemable units refer to units of participation each of which represents an undivided interest in the pool of investments assets earmarked for this type of security issued by a Mutual Fund Company (MFC). The MFC will buy back the redeemable units upon request of the holder.

Additional paid-in capital attributable to shareholders amounting to P49,500,000 as at December 31, 2021 and 2020 pertains to excess payments over par value from investors. However, no corresponding additional paid-in capital is recognized upon issuance of units as these are issued at no par value.

## 11. NET ASSET VALUE PER SHARE / PER UNIT

NAVPS/NAVPU is computed as follows:

	Note	2021	2020
Attributable to shareholders			
Total equity		P 49,263,738	P 49,213,406
Outstanding shares	10	50,000,000	50,000,000
NAVPS		P 0.9853	P 0.9843
Attributable to unit holders			
Total equity		P3,840,673,937	P595,122,549
Subscribed units	10	2,746,782,392.53	526,832,833.45
NAVPU		P 1.3982	P 1.1296

NAVPS is based on issued, outstanding and fully paid shares while NAVPU is based on issued, outstanding and fully paid units. The expected cash outflow on redemption of these shares/units is equivalent to computed NAVPS/NAVPU as at reporting period.

12. INTEREST INCOME

This account consists of interest income on the following:

	Note	2021	2020	2019
Attributable to shareholders				
Cash in banks	6	P 62,915	P165,796	P130,759
Attributable to unit holders				
Cash in banks	6	P155,137	P 10,095	P -

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

Average interest rates of investments and cash in banks in 2021, 2020 and 2019 are as follows:

	Note	2021	2020	2019
Attributable to shareholders				
Cash in banks	6	0.13%	0.33%	0.25%
Attributable to unit holders				
Cash in banks	6	0.12%	0.04%	-

13. EARNINGS (LOSS) PER SHARE

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

	Note	2021	2020	2019
Attributable to shareholders				
Profit (loss) for the period		P 50,332	(P 37,246)	(P 644,371)
Weighted average number of shares:				
Issued and outstanding	10	50,000,000	50,000,000	50,000,000
Basic and diluted loss per share		P 0.001	(P 0.001)	(P 0.013)
Attributable to unit holders				
Profit for the period		P 464,860,460	P 45,625,142	P -
Weighted average number of units:				
Subscribed units	10	1,780,241,287.31	313,200,612.05	-
Basic and diluted earnings per units		P 0.261	P 0.146	P -

As at December 31, 2021, 2020 and 2019, the Company has no dilutive potential ordinary shares.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	Note	Level 1
December 31, 2021		
Attributable to unit holders		
Investment in global mutual fund	7	P3,644,640,467
December 31, 2020		
Attributable to unit holders		
Investment in global mutual fund	7	P 573,307,540

Investment in global mutual fund is valued at their published NAVPS at reporting date.

There were no transfers between Level 1 and 2 in 2021 and 2020.

*Financial asset and liabilities not measured at fair value*

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

	Note	2021		2020		Fair Value Hierarchy
		Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	
Attributable to shareholders						
Financial Asset						
Cash in banks	6	P 49,263,738	P 49,263,738	P49,213,406	P49,213,406	Level 1

Cash in banks have short-term maturities, hence, their carrying amounts are considered their fair values.

	Notes	2021		2020		Fair Value Hierarchy
		Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	
Attributable to unit holders						
Financial Assets						
Cash in banks	6	P215,335,416	P215,335,416	P 45,066,594	P45,066,594	Level 1
Financial Liabilities						
Accrued expenses and other payables	8	14,854,326	14,854,326	22,544,429	22,544,429	Level 2
Payable to fund manager	9	4,190,387	4,190,387	652,075	652,075	Level 2
		P 19,044,713	P 19,044,713	P23,196,504	P23,196,504	

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 expenses and other payables and payable to fund manager have short-term maturities, hence, their carrying amounts are considered their fair values.

15. INCOME TAXES

Details of tax expense during the period are as follows:

	2021	2020	2019
Final tax	P43,394	P35,178	P26,152

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) before tax	P464,954,186	P 45,623,074	(P618,219)
Tax expense at 25% in 2021 and 30% in 2020 and 2019	P116,238,546	P 13,686,922	(P185,466)
Adjustment for income subject to lower tax rate	(11,119)	(17,590)	(13,076)
Tax effects of:			
Net unrealized fair value gains on investments	(108,941,318)	(16,316,908)	-
Unrecognized net operating Loss Carry- Over (NOLCO)	9,480,857	2,676,929	224,694
Net realized gains (losses) on investments	( 16,723,572)	5,825	-
	P 43,394	P 35,178	P 26,152

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 from previous years are as follows:

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2018	2021	P 473,853	-	P473,853	P -
2019	2022	748,978	-	-	748,978
		P1,439,772	P -	P473,853	P748,978

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

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2020	2025	P8,923,096	P -	P -	P 8,923,096
2021	2026	-	37,923,426	-	37,923,426
		P8,923,096	P37,923,426	P -	P46,846,522

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.

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

**The Company’s interest** income arising from cash in banks is already subjected to final tax therefore, excluded from the computation of taxable income.

Realized gains on redemption of investment in in global mutual fund are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

## 16. 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.

## 17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes, credit risk, foreign exchange 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. 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. Interest rates of the financial assets are disclosed in Notes 6 and 12.

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 income 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:

Change in Interest rates	Increase (Decrease) in Net Profit or Loss/Equity		
	2021	2020	2019
<b>Attributable to shareholders</b>			
+50 basis	P197,055	P196,854	P -
-50 basis	(P197,055)	(P196,854)	(P -)
<b>Attributable to unit holders</b>			
+50 basis	P848,922	P177,945	P -
-50 basis	(P848,922)	(P177,945)	(P -)

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.

### *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from fluctuations in foreign exchange rates. Significant fluctuation in the exchange rates could significantly affect the Company's financial position. Investors should note that the Fund is denominated in Philippine Peso and invests in a Target Fund denominated in US Dollars. The foreign currency position of the Fund (i.e. PHP vs USD) will not be hedged. Thus, investors are fully exposed to fluctuations in the USD/PHP exchange rate.

In 2021, 2020 and 2019, the aggregate net foreign exchange loss recognized in profit or loss attributable to unit holders is P3,005,813, P5,982,561 and nil, respectively.



### Equity price risk

The Company is exposed to equity price risks arising from investment in global mutual fund.

The risk is managed by the Fund Manager by actively monitoring the global equity market. Portfolios are traded based on a combination of regularly-carried out fundamental and technical analyses of stock prices.

Based on the exposure to equity price risks at the end of each reporting period, if equity prices and NAVPU of investments in UITF had been 2% higher or lower, profit or loss for the years ended December 31, 2021 and 2020 would have increased or decreased by P71,953,950 and P11,318,467, respectively.

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

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

### 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 Satisfactory. 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:

	Note	2021	2020
<b>Attributable to shareholders</b>			
Cash in banks	6	P 49,263,738	P 49,213,406
<b>Attributable to unit holders</b>			
Cash in banks	6	P215,335,446	P 45,066,594

### 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:

Category	Description	Basis for recognizing expected credit losses
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 use 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.

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

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 in credit rating 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 ECL 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 2022 until 2026.** 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 judgement, 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 as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2021 and 2020:

	Note	Internal credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
<b>2021</b>							
Attributable to shareholders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 49,263,738	P -	P49,263,738
Attributable to unit holders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P215,335,446	P -	P215,335,446
<b>2020</b>							
Attributable to shareholders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 49,213,406	P -	P49,213,406
Attributable to unit holders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 45,066,594	P -	P45,066,594

### Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash and cash equivalents, special savings deposits, investment in global mutual fund, accrual of interest receivable and dividend receivable to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

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

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

	Less than One Month	One Month to One Year	Total
2021			
Attributable to unit holders			
Payable to fund manager	P 4,190,387	P -	P 4,190,387
Accrued expenses	14,778,816	75,510	14,854,326
	<u>P18,969,203</u>	<u>P75,510</u>	<u>P19,044,713</u>
2020			
Attributable to unit holders			
Payable to fund manager	P 652,075	P -	P 652,075
Accrued expenses	22,386,696	157,733	22,544,429
	<u>P23,038,771</u>	<u>P157,733</u>	<u>P 23,196,504</u>

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 asset. The table had been drawn up based on the contractual maturities of the financial asset including interest that will be earned on that asset, 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
2021						
Attributable to shareholders						
Cash in banks	0.13%	P 49,263,738	P -	P -	P -	P 49,263,738
Attributable to unit holders						
Cash in banks	0.12%	P215,335,446	P -	P -	P -	P215,335,446
2020						
Attributable to shareholders						
Cash in banks	0.33%	P 49,213,406	P -	P -	P -	P 49,213,406
Attributable to unit holders						
Cash in banks	0.04%	P 45,066,594	P -	P -	P -	P 45,066,594

The Company expects to meet its obligations from operating cash flows and proceeds from maturing financial asset.

## 18. 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 10.

The Fund Manager manages the Company's capital and NAVPU and NAVPS, as disclosed in Notes 10, 11 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:

- a. It does not issue senior securities;

- b. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- d. It generally maintains a diversified portfolio. Industry concentrations may vary at any **time depending on the investment manager's view on the prospects;**
- e. It does not invest directly in real estate properties and developments;
- f. It does not purchase or sell commodity futures contracts;
- g. 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;
- h. 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 invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI). The MSCI ACWI is a market-capitalization weighted stock market index designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is designed to provide a broad measure of equity-market performance throughout the world
- b. Benchmark - 95% MSCI ACWI (PhP Terms) + 5% 30-day USD Deposit.
- 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 1.00% 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:

	2021	2020
<b>Attributable to shareholders</b>		
Net assets attributable to shareholders	P 49,263,738	P49,213,406
Total assets	49,263,738	49,213,406
Equity ratio	1.0000:1	1.0000:1
<b>Attributable to unit holders</b>		
Net assets attributable to unit holders	P3,840,673,937	P595,122,549
Total assets	3,860,056,411	618,374,134
Equity ratio	0.9950:1	0.9685:1

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

19. 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 period is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Details of the Company's other taxes and licenses and permit fees paid or accrued in 2021 are as follows:

<u>Charged to Operating Expenses</u>	
Filing and registration fees	P81,325
Business permits	14,424
Residence or community tax	800
Annual registration	500
Others	1,500
	<u>P98,549</u>

*Withholding taxes*

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

	Paid	Accrued	Total
<u>Expanded withholding taxes</u>	<u>P 2,311,226</u>	<u>P 337,761</u>	<u>P 2,648,987</u>

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2021.

20. 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.

\* \* \*

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BOA/PRC Reg. No. 0004  
SEC Accreditation No. 0004-SEC

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

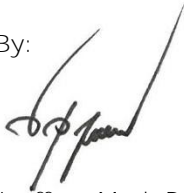
To the Board of Directors and Shareholders  
SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
(An Open-end Investment Company)  
Sun Life Centre, 5<sup>th</sup> Avenue corner Rizal Drive  
Bonifacio Global City, Taguig City

We have audited the financial statements of Sun Life Prosperity World Equity Index Feeder 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 audits were 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 amended, 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 audits 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:



Joeffrey 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 World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City

Items	Attributable to shareholders	Attributable to unit holders
<b>Unappropriated Retained Earnings, beginning</b>	<b>P (786,594)</b>	<b>P 45,625,142</b>
<b>Adjustments:</b>		
Accumulated net unrealized fair value gains as at December 31, 2020	-	<b>(54,389,694)</b>
<b>Net income (loss) based on the face of AFS</b>	50,332	464,860,460
<b>Adjustments for non-actual (gains) losses</b>		
Effect of movements in accumulated unrealized gains during the year	-	(435,765,270)
<b>Net Income Actual/Realized</b>	<b>50,332</b>	<b>29,095,190</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>P (736,262)</b>	<b>P 74,720,332</b>



**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2021 and December 31, 2020

	Formula	2021		2020	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<i>Current/ Liquidity Ratios</i>					
a. Current ratio	Current Assets/Current Liabilities	N/A	199.15:1	N/A	26.59:1
b. Quick ratio	Quick Assets/Current Liabilities	N/A	199.15:1	N/A	26.59:1
c. Cash ratio	Cash/Current Liabilities	N/A	11.11:1	N/A	1.94:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A	N/A	N/A
e. Working capital ratio	(Current Assets/Current Liabilities)/Current Assets	1:1	0.99:1	1:1	0.96:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	783.02:1	57.28:1	296.83:1	-63854.35:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	N/A	9665.7:1	104288.4:1	26210.26:1
<i>Solvency Ratios</i>					
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	0.00	0.00	0.00	0.00
b. Debt to equity ratio	Total Liabilities/Total Equity	0.00	0.01	0.00	0.04
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	0.00	0.00	0.00	0.00
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.00	0.01	0.00	0.04
Asset to equity ratio	Total Assets/Total Equity	1.00:1	1.01:1	1.00:1	1.04:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A	N/A	N/A
<i>Profitability Ratio</i>					
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	100.00%	693.36%	-2.47%	-489561.81%
(EBITDA) margin	EBITDA/Revenue	100.00%	693.36%	-2.47%	-489561.81%
c. Pre-tax margin	EBIT/Revenue	100.00%	693.36%	-2.47%	-489561.81%
d. Effective tax rate	Income Tax/EBIT	20.00%	0.01%	-811.33%	0.00%
e. Post-tax margin	Net Income After Tax/Revenue	80.00%	693.31%	-22.46%	-489540.15%
f. Return on equity	Net Income After Tax/Average Common Equity	0.10%	12.10%	-0.08%	7.67%
g. Return on asset	NIAT/Average Total Assets	0.10%	12.04%	-0.07%	7.38%
Capital intensity ratio	Total Assets/Revenue	783.02:1	57.57:1	296.83:1	-66349.16:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A	N/A	N/A

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

<b>i. Percentage of Investment in a Single Enterprise to Net Asset Value</b>	<b>2021</b>	<b>2020</b>
As of December 31, 2021 and December 31, 2020	N/A	N/A
<b>ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company</b>	<b>2021</b>	<b>2020</b>
As of December 31, 2021 and December 31, 2020	N/A	N/A
<b>iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Liquid and Semi-Liquid Assets	49,263,738	49,213,406
TOTAL ASSETS	49,263,738	49,213,406
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%
<b>iv. Total Operating Expenses to Total Net Worth</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Operating Expenses	-	169,883
Average Daily Net Worth	49,173,240	49,020,616
Total Operating Expenses to Average Daily Net Worth	0.00%	0.35%
<b>v. Total Assets to Total Borrowings</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Assets	49,263,738	49,213,406
Total Borrowings	-	-
Total Assets to Total Borrowings	N/A	N/A

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

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

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>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	3,644,640,467	3,840,673,937	94.90%	573,307,540	595,122,549	96.33%

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

December 31, 2021 and December 31, 2020

	2021			2020		
	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee
<b>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	353,927	17,126,767	2.07%	70,565	20,119,838	0.35%

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

December 31, 2021 and December 31, 2020

	2021	2020
Total Liquid and Semi-Liquid Assets	3,859,975,913	618,374,134
TOTAL ASSETS	3,860,056,411	618,374,134
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%

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

December 31, 2021 and December 31, 2020

	2021	2020
Total Operating Expenses	35,941,310	8,493,418
Average Daily Net Worth	2,313,888,809	295,910,752.71
Total Operating Expenses to Average Daily Net Worth	1.55%	2.87%

**v. Total Assets to Total Borrowings**

December 31, 2021 and December 31, 2020

	2021	2020
Total Assets	3,860,056,411	618,374,134
Total Borrowings	19,382,474	23,251,585
Total Assets to Total Borrowings	19915%	2659%

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

Sun Life Prosperity World Equity Index Feeder 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**

**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents	
A. Financial Assets	<u>2</u>
B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)	<u>N.A.</u>
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N.A.</u>
D. Long-Term Debt	<u>N.A.</u>
E. Indebtedness to Related Parties	<u>3</u>
F. Guarantees of Securities of Other Issuers	<u>N.A.</u>
G. Capital Stock	<u>4</u>

**N.A. Not applicable**

Sun Life Prosperity World Equity Index Feeder 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
<b>Attributable to unit holders</b>			
<b>Equity shares:</b>			
SPD EQ USD MSCI ACWI ETF	353,927	P 3,644,640,467	-

Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES**  
As at December 31, 2021

Name of Related Party	Relationship	Balance at beginning of period	Balance at end of period
<b>Attributable to unit holders</b> Sun Life Asset Management Company, Inc.	Fund Manager	P 652,075	P 4,190,387

Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE G - 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
<b>Attributable to shareholders</b>						
Ordinary Shares	200,000,000	50,000,000	-	49,999,994	6	-
Treasury Shares	-	-	-	-	-	-
<b>TOTAL</b>	<b>200,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>49,999,994</b>	<b>6</b>	<b>-</b>

Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE G - CAPITAL STOCK**  
As at December 31, 2021

Title of Issue	Number of units offered	Net of contributions	Number of units reserved for options, warrants, conversion and other rights	Number of Units Held By		
				Related Parties	Directors, Officers and Employees	Others
<b>Attributable to unit holders</b>						
Ordinary Shares	100,000,000,000	2,746,782,392.53	-	50,298,401.99	-	2,696,483,990.54
<b>TOTAL</b>	<b>100,000,000,000</b>	<b>2,746,782,392.53</b>	<b>-</b>	<b>50,298,401.99</b>	<b>-</b>	<b>2,696,483,990.54</b>



# 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**  
**W O R L D E Q U I T Y I N D E X F E E D E R**  
**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)

**Anna Katrina C. Kabigting-Ibero**

(Contact Person)

**555-8888**

(Company Telephone Number)

**S E C F O R M 1 7 - C**

**1 2**

Month  
(Fiscal Year)

**3 1**

Day

(Form Type)

**4th Monday of May**

Month Day  
(Annual Meeting)

\_\_\_\_\_

(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

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File Number

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LCU

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Document ID

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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. **12 March 2021**

Date of Report (Date of earliest event reported)

2. SEC Identification Number CS201725847

3. BIR Tax Identification No. 009-766-502

4. **Sun Life Prosperity World Equity Index Feeder 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)
<b>Common (Unclassified)</b>	<b>50,000,000</b>

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 World Equity Index Feeder Fund, Inc.

Issuer

Date: 12 March 2021

  
Anna Katrina C. Kabigting, Inc., 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  
W O R L D E Q U I T Y I N D E X F E E D E R  
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)

555-8888

(Company Telephone Number)

SEC FORM 17-C

1 2 3 1

Month Day  
(Fiscal Year)

(Form Type)

4th Monday of May

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. 19 July 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201725847
3. BIR Tax Identification No. 009-766-502
4. Sun Life Prosperity World Equity Index Feeder 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>50,000,000</u>

10. Indicate the item numbers reported herein: **Items 4(b), 4(b)(i), 9(b)**

A. During the Annual Stockholders' Meeting of the Issuer held on 14 July 2021 at 11:30 a.m. via Zoom Video Conference, during which 50,000,000 shares or 100% 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.** The issuer met the requirement of 50%+1 share of the OCS present in person or by proxy. Thus, the following have been duly elected as members of the Board of Directors:

- Benedicto C. Sison
- Maria Josefina A. Castillo
- Gerald L. Bautista
- Oscar M. Orbos (independent)
- Aleli Angela G. Quirino (independent)
- Oscar S. Reyes (independent)

The independent directors will submit the required certification within 30 days from the 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' meeting;
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.

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: Aleli Angela G. Quirino (Chairman), Benedicto C. Sison and Oscar S. Reyes;  
and  
Audit and Compliance Committee: Aleli Angela G. Quirino (Chairman), Oscar M. Orbos and Oscar S. Reyes  
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 World Equity Index Feeder 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  
W O R L D E Q U I T Y I N D E X F E E D E R  
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 Monday of May  
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 CS201725847

3. BIR Tax Identification No. 009-766-502

4. Sun Life Prosperity World Equity Index Feeder 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>50,000,000</u>

10. Indicate the item numbers reported herein: **Item 4 (a). Resignation, Removal or Election of Registrant's Directors or Officers.**

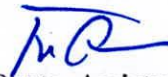
Atty. Oscar M. Orbos has resigned as Independent Director of the Sun Life Prosperity Funds effective 08 October 2021 after his decision to run for election as a Congressman. The company is already in the process of searching for a replacement to fill in this vacancy in the Board of Directors

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 World Equity Index Feeder Fund, Inc.

Issuer



Frances Ianna S. Canto, Assistant Corporate Secretary

Signature and Title

Date: 13 October 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 W O R L D
E Q U I T Y I N D E X F E E D E R F U N D , I N C .
( f o r m e r l y D E C A H o m e b u i l d e r
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)

8555-8888 loc. 5699

(Company Telephone Number)

SEC 17-C

1 2

Month

(Fiscal Year)

3 1

Day

(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. 23 November 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201725847
3. BIR Tax Identification No. 009-766-502
4. Sun Life Prosperity World Equity Index Feeder 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>50,000,000</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 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;
3. Resignation of Ms. Maria Josefina A. Castillo as Director and President effective 19 November 2021;
4. 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
5. 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 World Equity Index Feeder Fund, Inc.

Issuer



Anna Katrina C. Kabigting Debo, Corporate Secretary  
Signature and Title

Date: 23 November 2021

**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**

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**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**

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**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

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SEC Identification Number

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( f o r m e r l y D E C A H o m e b u i l d e r
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)

8555-8888 loc. 5699

(Company Telephone Number)

SEC 17-C

1 2

Month

3 1

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. 17 December 2021  
Date of Report (Date of earliest event reported)
2. SEC Identification Number CS201725847
3. BIR Tax Identification No. 009-766-502
4. Sun Life Prosperity World Equity Index Feeder 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>50,000,000</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 World Equity Index Feeder Fund, Inc.

Issuer

Date: 17 December 2021

Anna Katrina C. Kabigting-Lero, Corporate Secretary  
Signature and Title

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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Company Name

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

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

S	U	N	L	I	F	E	C	E	N	T	R	E	S	T	H	A	V	E	.	C	O	R	.		
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Form Type

A A F S

Department requiring the report

C R M D

Secondary License Type, If Applicable

N/A

### COMPANY INFORMATION

Company's Email Address

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

Company's Telephone Number/s

8555-8888

Mobile Number

0999-991-7178

No. of Stockholders

7

Annual Meeting  
Month/Day

Every Fourth Wednesday of June

Fiscal Year  
Month/Day

12/31

### CONTACT PERSON INFORMATION

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

Name of Contact Person

SHERWIN S. SAMPANG

Email Address

[Sherwin.Sampang@sunlife.com](mailto:Sherwin.Sampang@sunlife.com)

Telephone Number/s

8555-8888

Mobile Number

N/A

Contact Person's Address

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

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

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



## Joycelyn Alday

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**From:** Winnie Lyn J Yu  
**Sent:** Thursday, May 12, 2022 8:59 PM  
**To:** PHIL-FIN\_FAR2  
**Subject:** Fwd: Your BIR AFS eSubmission uploads were received

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**From:** eafs@bir.gov.ph <eafs@bir.gov.ph>  
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Hi SUN LIFE PROSPERITY WORLD EQUITY INDEX FUND, INC.,

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- EAFS009766502ITRTY122021.pdf
- EAFS009766502AFSTY122021.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-PSY11VQQ0CJ5K9A7LM23WQ2P30ADA8D7E6**

Submission Date/Time: **May 12, 2022 08:39 PM**

Company TIN: **009-766-502**

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- 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 World Equity Index Feeder 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.

**Benedicto C. Sison**, Chairman of the Board

Handwritten signature of Valerie N. Pama in cursive.

**Valerie N. Pama**, President

Handwritten signature of Sherwin S. Sampang in cursive.

**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. 236  
Page No. 49  
Book No. 17  
Series of 2022.

**ATTY. ROMEO M. MONFORT**  
Notary Public City of Makati  
Extended Until June 30, 2022  
P.O. Box No. 3795  
PTE No. 88667-0 Jan. 3, 2022 Makati City  
Appointment No. M-133 (2020-2021)  
IBP No. 185,624-Jan 3, 2018  
MCLE NO. VI-0022417 Roll 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 WORLD EQUITY INDEX FEEDER 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 World Equity Index Feeder 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 PSA 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 PSA, 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 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of Management and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA 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:



Joeffrey 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 WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-End Investment Company)

**STATEMENTS OF FINANCIAL POSITION**

	Notes	December 31			
		2021		2020	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<b>ASSETS</b>					
Cash in banks	6	<b>P49,263,738</b>	<b>P 215,335,446</b>	P49,213,406	P 45,066,594
Financial assets at fair value through profit or loss	7	-	<b>3,644,640,467</b>	-	573,307,540
Prepayments and other current assets		-	<b>80,498</b>	-	-
		<b>P49,263,738</b>	<b>P3,860,056,411</b>	P49,213,406	P618,374,134
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Accrued expenses and other payables	8	<b>P -</b>	<b>P 15,192,087</b>	P -	P 22,599,510
Payable to fund manager	9	-	<b>4,190,387</b>	-	652,075
Total Current Liabilities		-	<b>19,382,474</b>	-	23,251,585
<b>EQUITY</b>					
Net assets attributable to shareholders	10	<b>49,263,738</b>	-	49,213,406	-
Net assets attributable to unit holders	10	-	<b>3,840,673,937</b>	-	595,122,549
Total Equity		<b>49,263,738</b>	<b>3,840,673,937</b>	49,213,406	595,122,549
		<b>P49,263,738</b>	<b>P3,860,056,411</b>	P49,213,406	P618,374,134
<b>Net Asset Value Per Share / Unit</b>	11	<b>P0.9853</b>	<b>P1.3982</b>	P0.9843	P1.1296

*See Notes to Financial Statements.*

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020



**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**  
(An Open-end Investment Company)

**STATEMENTS OF COMPREHENSIVE INCOME**

For the Years Ended December 31

		2021	2020		2019		
	Notes	Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Investment Income - net</b>							
Interest income	12	P62,915	P155,137	P165,796	P 10,095	P 130,759	P -
Net realized gain (loss) on investments	7	-	66,894,289	-	(19,415)	-	-
		<b>62,915</b>	<b>67,049,426</b>	165,796	(9,320)	130,759	-
<b>Investment Expenses</b>							
Commission		-	1,982,115	-	259,795	-	-
		-	1,982,115	-	259,795	-	-
<b>Net Investment Income (Loss)</b>		<b>62,915</b>	<b>65,067,311</b>	165,796	(269,115)	130,759	-
<b>Operating Expenses</b>							
Management fees	9	-	17,670,606	-	1,053,567	-	-
Distribution fees	9	-	13,592,774	-	810,436	-	-
Foreign exchange loss - net		-	3,005,813	-	5,982,561	-	-
Custodian fees		-	579,465	-	129,296	-	-
Directors' fees	9	-	395,262	127,308	187,308	314,615	-
Professional fees		-	142,288	-	125,117	356,837	-
Taxes and licenses		-	98,549	41,575	-	34,996	-
Printing and supplies		-	7,465	-	167	39,648	-
Miscellaneous		-	449,088	1,000	204,966	2,882	-
		-	<b>35,941,310</b>	169,883	8,493,418	748,978	-
<b>Profit (Loss) Before Net Unrealized Gains on Investments</b>		<b>62,915</b>	<b>29,126,001</b>	(4,087)	(8,762,533)	(618,219)	-
<b>Net Unrealized Gains on Investments</b>	7	-	<b>435,765,270</b>	-	54,389,694	-	-
<b>Profit (Loss) before tax</b>		<b>62,915</b>	<b>464,891,271</b>	(4,087)	45,627,161	(618,219)	-
<b>Provision for income tax</b>		<b>12,583</b>	<b>30,811</b>	33,159	2,019	26,152	-
<b>Profit (Loss) attributable to Shareholders</b>		<b>50,332</b>	-	(37,246)	-	(644,371)	-
<b>Profit attributable to Unit Holders</b>		-	<b>464,860,460</b>	-	45,625,142	-	-
<b>Total Comprehensive Income (Loss) for the Year</b>		<b>P50,332</b>	<b>P464,860,460</b>	(P37,246)	P45,625,142	(P644,371)	P -
<b>Basic Earnings (Loss) per Share / Unit</b>	13	<b>P0.001</b>	<b>P0.261</b>	(P0.001)	P0.146	(P0.013)	P -

See Notes to Financial Statements.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-end Investment Company)

**STATEMENTS OF CHANGES IN EQUITY****For the Years Ended December 31**

<b>Shareholders</b>					
	<b>Notes</b>	<b>Capital Stock</b>	<b>Additional Paid-in Capital</b>	<b>Deficit</b>	<b>Total</b>
Balance, January 1, 2019	10, 11	P500,000	P49,500,000	(P104,977)	P49,895,023
Total Comprehensive Loss for the Year		-	-	(644,371)	(644,371)
Balance, December 31, 2019	10, 11	500,000	49,500,000	(749,348)	49,250,652
Total Comprehensive Loss for the Year		-	-	(37,246)	(37,246)
Balance, December 31, 2020	10, 11	500,000	49,500,000	(786,594)	49,213,406
Total Comprehensive Income for the Year		-	-	50,332	50,332
<b>Balance, December 31, 2021</b>	10, 11	<b>P500,000</b>	<b>P49,500,000</b>	<b>(P736,262)</b>	<b>P49,263,738</b>

**For the Years Ended December 31**

<b>Unit Holders</b>				
	<b>Notes</b>	<b>Principal</b>	<b>Retained Earnings</b>	<b>Total</b>
Balance, January 1, 2020		P -	P -	P -
Total Comprehensive Income for the Year		-	45,625,142	45,625,142
Transactions with owners:				
Contributions	10	561,868,119	-	561,868,119
Withdrawals	10	(12,370,712)	-	(12,370,712)
Total Transactions with owners		549,497,407	-	549,497,407
Balance, December 31, 2020	10, 11	549,497,407	45,625,142	595,122,549
Total Comprehensive Income for the Year		-	464,860,460	464,860,460
Transactions with owners:				
Contributions	10	3,953,136,871	-	3,953,136,871
Withdrawals	10	(1,172,445,943)	-	(1,172,445,943)
Total Transactions with owners		2,780,690,928	-	2,780,690,928
<b>Balance, December 31, 2021</b>	10, 11	<b>P3,330,188,335</b>	<b>P510,485,602</b>	<b>P3,840,673,937</b>

*See Notes to Financial Statements.*

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

(An Open-End Investment Company)

**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31

	Notes	2021		2020		2019	
		Shareholders	Unit Holders	Shareholders	Unit Holders	Shareholders	Unit Holders
<b>Cash Flows from Operating Activities</b>							
Profit (Loss) before tax		P 62,915	P 464,891,271	(P 4,087)	P 45,627,161	(P 618,219)	P -
Adjustments for:							
Net unrealized gains on investments	7	-	(435,765,270)	-	(54,389,694)	-	-
Net realized (gains) losses on investments	7	-	(66,894,289)	-	19,415	-	-
Interest income	12	(62,915)	(155,137)	(165,796)	(10,095)	(130,759)	-
Operating cash flows before working capital changes		-	(37,923,425)	(169,883)	(8,753,213)	(748,978)	-
Increase in:							
Prepayments and other current assets		-	(80,498)	-	-	-	-
Increase (Decrease) in:							
Accrued expenses and other payables		-	(7,407,423)	(228,244)	22,599,510	151,165	-
Payable to fund manager		-	3,538,312	(1,371,216)	652,075	757,501	-
Cash generated from (used in) operations		-	(41,873,034)	(1,769,343)	14,498,372	159,688	-
Acquisitions of financial assets at fair value through profit or loss	7	-	(3,406,237,835)	-	(519,479,557)	-	-
Proceeds from disposal and maturities of financial assets at fair value through profit or loss	7	-	837,564,467	-	542,296	-	-
Interest income received	12	62,915	155,137	165,796	10,095	130,759	-
Income taxes paid		(12,583)	(30,811)	(33,159)	(2,019)	(26,152)	-
Net cash generated from (used in) operating activities		50,332	(2,610,422,076)	(1,636,706)	(504,430,813)	264,295	-
<b>Cash Flows from Financing Activities</b>							
Proceeds from the issuance of units	10	-	3,953,136,871	-	561,868,119	-	-
Payments on withdrawals of units	10	-	(1,172,445,943)	-	(12,370,712)	-	-
Net cash generated from financing activities		-	2,780,690,928	-	549,497,407	-	-
<b>Net Increase (Decrease) in Cash in banks</b>		<b>50,332</b>	<b>170,268,852</b>	<b>(1,636,706)</b>	<b>45,066,594</b>	<b>264,295</b>	<b>-</b>
<b>Cash in banks, Beginning</b>		<b>49,213,406</b>	<b>45,066,594</b>	<b>50,850,112</b>	<b>-</b>	<b>50,585,817</b>	<b>-</b>
<b>Cash in banks, End</b>		<b>P 49,263,738</b>	<b>P 215,335,446</b>	<b>P 49,213,406</b>	<b>P 45,066,594</b>	<b>P 50,850,112</b>	<b>P -</b>

See Notes to Financial Statements.

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.  
(An Open-end Investment Company)

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NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

1. CORPORATE INFORMATION

Sun Life Prosperity World Equity Index Feeder Fund Inc. (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 4, 2017 in accordance with the Corporation Code of the Philippines (Batas Pambansa Blg. 68), approved on May 1, 1980 and the Foreign Investments Act of 1991 (Republic Act No. 7042, as amended), approved on June 13, 1991 and started commercial operations on July 6, 2020. Its primary purpose is to issue its own securities and offer them for sale to the public, and generally to carry on the business of an open-end investment company in all the elements and details thereof.

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 9.

On March 13, 2018, the Board of Directors approved the amendment of the corporate name of DECA Homebuilder Fund, Inc. to Sun Life Prosperity World Equity Index Feeder Fund, Inc. which was approved by SEC on March 15, 2019.

**The Company's registered office address** and principal place of business is at the 2<sup>nd</sup> Floor, 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 assets measured at fair value.

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

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Company operates. All amounts are recorded to the nearest peso, except when otherwise indicated.

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

#### Adoption of 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 no impact on the Company's income tax expense, net income and net assets 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 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 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; does not have modifications of financial 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 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.

#### 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 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 losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. 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 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, 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.**

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 (deficit)*

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

### *Units of Participation*

Represents an undivided interest in the pool of investments assets earmarked for this type of security issued by the Company.

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

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

### Prepayments

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

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

## Provisions, Contingent Liabilities and Assets

### Provisions

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.

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

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

### Earnings (Loss) per Share

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

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

### Net Asset Value per Unit (NAVPU)

The Company computes its NAVPU by dividing the total net asset value attributable to unit holders as at the end of the reporting period by the number of its outstanding units.

### 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 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 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** attributable to shareholders is nil, while attributable to unit holders amounted to P3,644,640,467 and P573,307,540, respectively, as disclosed in Note 7.

### 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 17.

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 14 and 17, 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 Philippine Peso (PHP). The PHP is the currency of the primary economic environment in **which the Company operates. It is the currency being used to report the Company's results of operations.**

### Puttable shares designated as equity instruments

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

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

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

As at December 31, 2021 and 2020 the recognized amount of share capital attributable to shareholders in the statements of changes in equity amounted to P500,000 while the amount of net contributions attributable to unit holders amounted to P3,330,188,335 and P549,497,407, respectively, as disclosed in Note 10.

#### 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 17.

##### 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 17.

##### Estimating loss allowance for ECL

The measurement of the ECL 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. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 17 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 17.**

#### Deferred tax asset

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

**Based on Management's expectation of the Company's future taxable income, the Company did not recognize deferred tax asset as at December 31, 2021 and 2020, as disclosed in Note 15.**

#### 6. CASH IN BANKS

This account consists of:

	2021	2020
Attributable to shareholders		
Cash in banks	P49,263,738	P49,213,406
Attributable to unit holders		
Cash in banks	P215,335,446	P45,066,594

Cash in banks attributable to shareholders earned interest amounting to P62,915, P165,796 and P130,759 in 2021, 2020 and 2019, respectively, at an average rate of 0.13%, 0.33% and 0.25% in 2021, 2020 and 2019, respectively.

Cash in banks attributable to unit holders earned interest amounting to P155,137, P10,095 and nil at an average rate of 0.12%, 0.04% and nil in 2021, 2020 and 2019, respectively.

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

This account consists of:

	2021	2020
Attributable to unit holders		
Investments in global mutual fund	P3,644,640,467	P573,307,540

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

	2021	2020	2019
Attributable to unit holders			
Net realized gain (loss) on investments	P 66,894,289	(P 19,415)	P -
Net unrealized gain on investments	435,765,270	54,389,694	-
	P502,659,559	P54,370,279	P -

Net gains and losses on investments in equity securities are composed of investment in global mutual fund.

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

	2021	2020	2019
Attributable to unit holders			
Balance, January 1	P 573,307,540	P -	P -
Additions	3,406,237,835	519,479,557	-
Disposals	(770,670,178)	(561,711)	-
Unrealized gains	435,765,270	54,389,694	-
Balance, December 31	P3,644,640,467	P573,307,540	P -

#### 8. ACCRUED EXPENSES AND OTHER PAYABLES

This account consists of:

	2021	2020
Attributable to unit holders		
Due to investors	P14,453,625	P22,386,696
Withholding and documentary stamp taxes	337,761	55,081
Supervisory fees	243,510	13,227
Custodianship fees	81,681	55,480
Professional fees	75,510	89,026
	P15,192,087	P22,599,510

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.

#### 9. RELATED PARTY TRANSACTIONS

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

The related party below hold the following number of shares and current value of the Company as at December 31, 2021 and 2020:

Related party	2021		2020	
	Number of shares / units	Current Value	Number of shares / units	Current Value
Attributable to shareholders				
SLAMCI	49,999,994	P49,263,732	49,999,994	P49,213,400
Attributable to unit holders				
SLAMCI	50,298,401.99	P70,312,136	50,298,401.99	P56,818,238

The details of amounts and transactions with related parties attributable to shareholders are set out below.

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
Attributable to shareholders								
SLAMCI - Fund Manager								
Reimbursement of expenses	P -	P -	P748,978	P -	P -	Payable on demand; non-interest bearing; to be settled in cash	Unsecured; unguaranteed	a
Key Management Personnel								
<b>Directors' fees</b>	P -	P127,308	P314,615	P -	P -	Unsecured; unguaranteed	Unsecured; unguaranteed	b

The details of amounts and transactions with related parties attributable to unit holders are set out below.

Nature of transaction	Transactions during the year			Outstanding Payable		Terms	Condition	Notes
	2021	2020	2019	2021	2020			
Attributable to unit holders								
SLAMCI Fund Manager								
Management distribution and transfer fees	P31,263,380	P1,864,003	P -	P4,190,387	P652,075	Non-interest bearing; Annual rate of 1.15% of average daily net assets; settled in cash on or before the 15 <sup>th</sup> day of the following month	Unsecured; unguaranteed	a
Key Management Personnel								
<b>Directors' fees</b>	P 395,262	P 187,308	P -	P -	P -	Payable on demand; Settle in cash	Unsecured; Unguaranteed	b

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

a. Investment Management

The Company appointed SLAMCI as its fund manager, adviser, administrator, distributor and transfer agent that provides management, distribution and all required operational services. Under the Management and Distribution Agreement (MDA), SLAMCI receives aggregate fees for these services at an annual rate of 1.00% 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% 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 attributable to unit holders charged by SLAMCI to the Company in 2021, 2020 and 2019 amounted to P31,263,380, P1,864,003 and nil, respectively. Accrued management fees as at December 31, 2021 and 2020 amounting to P4,190,387 and P652,075, respectively, are shown as "Payable to fund manager" in the statements of financial position.

b. Reimbursement of pre-operating expenses

SLAMCI paid certain pre-operating expenses in behalf of the Company amounting to P748,978 in 2019. There were no payable to the fund manager in the statements of financial position attributable to shareholders as at December 31, 2021 and 2020.

c. Remuneration of Directors

Remuneration of directors attributable to shareholders is presented in the statements of comprehensive income under "Directors' fees" account amounting to nil, P127,308 and P314,615 in 2021, 2020 and 2019, respectively, and attributable to unit holders amounting to P395,262, P187,308 and nil in 2021, 2020 and 2019, respectively. These 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.

d. 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.

10. EQUITY

Movements are as follows:

	2021		2020		2019	
	Shares	Amount	Shares	Amount	Shares	Amount
Attributable to shareholders						
Authorized:						
at P0.01 par value	200,000,000	P2,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Issued and outstanding	50,000,000	P 500,000	50,000,000	P 500,000	50,000,000	P 500,000
Attributable to unit holders						
Offer units:						
at P1.00 initial offer price	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000	100,000,000,000	P100,000,000,000
At January 1	526,832,833.45	P 549,497,407	-	P -	-	P -
Contributions	3,108,144,959.12	3,953,136,871	538,553,785.33	561,868,119	-	-
Withdrawals	888,195,400.04	(1,172,445,943)	11,720,952.88	(12,370,712)	-	-
At December 31	2,746,782,392.53	P3,330,188,335	526,832,833.45	P549,497,407	-	P -

*Incorporation*

The Company was incorporated on August 4, 2017 with 200,000,000 authorized shares at par value of P0.01 per share attributable to shareholders and 100,000,000,000 Offer Units at P1.00 initial offer price per unit.

The Company started its commercial operations on July 6, 2020.

*Current state*

As at December 31, 2021, out of the present 200,000,000 authorized shares, the Company has 50,000,000 issued and outstanding shares, with par value of P0.01 per

share attributable to shareholders. Out of the present 100,000,000,000 Offer Units, the Company has 2,746,782,392.53 subscribed units.

The total number of unit holders is 4,477 and 812 as at December 31, 2021 and 2020, respectively.

The total number of shareholders is 7 as at December 31, 2021 and 2020.

#### *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 any other securities convertible into or carrying options or warrants to purchase shares of the registrant.

- c. Right of redemption

The holder of any shares of the Company, 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.

#### *Redeemable Units*

Redeemable units refer to units of participation each of which represents an undivided interest in the pool of investments assets earmarked for this type of security issued by a Mutual Fund Company (MFC). The MFC will buy back the redeemable units upon request of the holder.

Additional paid-in capital attributable to shareholders amounting to P49,500,000 as at December 31, 2021 and 2020 pertains to excess payments over par value from investors. However, no corresponding additional paid-in capital is recognized upon issuance of units as these are issued at no par value.

## 11. NET ASSET VALUE PER SHARE / PER UNIT

NAVPS/NAVPU is computed as follows:

	Note	2021	2020
Attributable to shareholders			
Total equity		P 49,263,738	P 49,213,406
Outstanding shares	10	50,000,000	50,000,000
NAVPS		P 0.9853	P 0.9843
Attributable to unit holders			
Total equity		P3,840,673,937	P595,122,549
Subscribed units	10	2,746,782,392.53	526,832,833.45
NAVPU		P 1.3982	P 1.1296

NAVPS is based on issued, outstanding and fully paid shares while NAVPU is based on issued, outstanding and fully paid units. The expected cash outflow on redemption of these shares/units is equivalent to computed NAVPS/NAVPU as at reporting period.

12. INTEREST INCOME

This account consists of interest income on the following:

	Note	2021	2020	2019
Attributable to shareholders				
Cash in banks	6	P 62,915	P165,796	P130,759
Attributable to unit holders				
Cash in banks	6	P155,137	P 10,095	P -

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

Average interest rates of investments and cash in banks in 2021, 2020 and 2019 are as follows:

	Note	2021	2020	2019
Attributable to shareholders				
Cash in banks	6	0.13%	0.33%	0.25%
Attributable to unit holders				
Cash in banks	6	0.12%	0.04%	-

13. EARNINGS (LOSS) PER SHARE

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

	Note	2021	2020	2019
Attributable to shareholders				
Profit (loss) for the period		P 50,332	(P 37,246)	(P 644,371)
Weighted average number of shares:				
Issued and outstanding	10	50,000,000	50,000,000	50,000,000
Basic and diluted loss per share		P 0.001	(P 0.001)	(P 0.013)
Attributable to unit holders				
Profit for the period		P 464,860,460	P 45,625,142	P -
Weighted average number of units:				
Subscribed units	10	1,780,241,287.31	313,200,612.05	-
Basic and diluted earnings per units		P 0.261	P 0.146	P -

As at December 31, 2021, 2020 and 2019, the Company has no dilutive potential ordinary shares.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	Note	Level 1
December 31, 2021		
Attributable to unit holders		
Investment in global mutual fund	7	P3,644,640,467
December 31, 2020		
Attributable to unit holders		
Investment in global mutual fund	7	P 573,307,540

Investment in global mutual fund is valued at their published NAVPS at reporting date.

There were no transfers between Level 1 and 2 in 2021 and 2020.

*Financial asset and liabilities not measured at fair value*

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

	Note	2021		2020		Fair Value Hierarchy
		Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	
Attributable to shareholders						
Financial Asset						
Cash in banks	6	P 49,263,738	P 49,263,738	P49,213,406	P49,213,406	Level 1

Cash in banks have short-term maturities, hence, their carrying amounts are considered their fair values.

	Notes	2021		2020		Fair Value Hierarchy
		Carrying Amounts	Fair Values	Carrying Amounts	Fair Values	
Attributable to unit holders						
Financial Assets						
Cash in banks	6	P215,335,416	P215,335,416	P 45,066,594	P45,066,594	Level 1
Financial Liabilities						
Accrued expenses and other payables	8	14,854,326	14,854,326	22,544,429	22,544,429	Level 2
Payable to fund manager	9	4,190,387	4,190,387	652,075	652,075	Level 2
		P 19,044,713	P 19,044,713	P23,196,504	P23,196,504	

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 expenses and other payables and payable to fund manager have short-term maturities, hence, their carrying amounts are considered their fair values.

15. INCOME TAXES

Details of tax expense during the period are as follows:

	2021	2020	2019
Final tax	P43,394	P35,178	P26,152

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) before tax	P464,954,186	P 45,623,074	(P618,219)
Tax expense at 25% in 2021 and 30% in 2020 and 2019	P116,238,546	P 13,686,922	(P185,466)
Adjustment for income subject to lower tax rate	(11,119)	(17,590)	(13,076)
Tax effects of:			
Net unrealized fair value gains on investments	(108,941,318)	(16,316,908)	-
Unrecognized net operating Loss Carry- Over (NOLCO)	9,480,857	2,676,929	224,694
Net realized gains (losses) on investments	( 16,723,572)	5,825	-
	P 43,394	P 35,178	P 26,152

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 from previous years are as follows:

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2018	2021	P 473,853	-	P473,853	P -
2019	2022	748,978	-	-	748,978
		P1,439,772	P -	P473,853	P748,978

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

Year Incurred	Year of Expiry	Beginning Balance	Addition	Expired	2021 Balance
2020	2025	P8,923,096	P -	P -	P 8,923,096
2021	2026	-	37,923,426	-	37,923,426
		P8,923,096	P37,923,426	P -	P46,846,522

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.

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

**The Company’s interest** income arising from cash in banks is already subjected to final tax therefore, excluded from the computation of taxable income.

Realized gains on redemption of investment in in global mutual fund are exempted from tax and are therefore excluded from the computation of taxable income subject to RCIT and MCIT.

## 16. 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.



## 17. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, which includes, credit risk, foreign exchange 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. 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. Interest rates of the financial assets are disclosed in Notes 6 and 12.

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 income 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:

Change in Interest rates	Increase (Decrease) in Net Profit or Loss/Equity		
	2021	2020	2019
<b>Attributable to shareholders</b>			
+50 basis	P197,055	P196,854	P -
-50 basis	(P197,055)	(P196,854)	(P -)
<b>Attributable to unit holders</b>			
+50 basis	P848,922	P177,945	P -
-50 basis	(P848,922)	(P177,945)	(P -)

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.

### *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from fluctuations in foreign exchange rates. Significant fluctuation in the exchange rates could significantly affect the Company's financial position. Investors should note that the Fund is denominated in Philippine Peso and invests in a Target Fund denominated in US Dollars. The foreign currency position of the Fund (i.e. PHP vs USD) will not be hedged. Thus, investors are fully exposed to fluctuations in the USD/PHP exchange rate.

In 2021, 2020 and 2019, the aggregate net foreign exchange loss recognized in profit or loss attributable to unit holders is P3,005,813, P5,982,561 and nil, respectively.

### Equity price risk

The Company is exposed to equity price risks arising from investment in global mutual fund.

The risk is managed by the Fund Manager by actively monitoring the global equity market. Portfolios are traded based on a combination of regularly-carried out fundamental and technical analyses of stock prices.

Based on the exposure to equity price risks at the end of each reporting period, if equity prices and NAVPU of investments in UITF had been 2% higher or lower, profit or loss for the years ended December 31, 2021 and 2020 would have increased or decreased by P71,953,950 and P11,318,467, respectively.

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

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

### 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 Satisfactory. 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:

	Note	2021	2020
<hr/>			
Attributable to shareholders			
<hr/>			
Cash in banks	6	P 49,263,738	P 49,213,406
<hr/>			
Attributable to unit holders			
<hr/>			
Cash in banks	6	P215,335,446	P 45,066,594
<hr/>			

### 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:

Category	Description	Basis for recognizing expected credit losses
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 use 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.

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

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 in credit rating 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 ECL 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 2022 until 2026.** 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 judgement, 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 as well as the Company's maximum credit exposure to credit risk by credit risk rating grades as at December 31, 2021 and 2020:

	Note	Internal credit rating	Category	12m or lifetime ECL?	Gross carrying amount	Loss allowance	Net carrying amount
<b>2021</b>							
Attributable to shareholders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 49,263,738	P -	P49,263,738
Attributable to unit holders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P215,335,446	P -	P215,335,446
<b>2020</b>							
Attributable to shareholders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 49,213,406	P -	P49,213,406
Attributable to unit holders							
Cash in banks	6	AAA	Stage 1	12-month ECL	P 45,066,594	P -	P45,066,594

### Liquidity risk

Liquidity risk arises when the Company encounters difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

The Company maintains at least ten percent of the fund in liquid/semi-liquid assets in the form of cash and cash equivalents, special savings deposits, investment in global mutual fund, accrual of interest receivable and dividend receivable to assure necessary liquidity. This is also in compliance to Section 6.10 of the Implementing Rules and Regulations of the Investment Company Act series of 2018.

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

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

	Less than One Month	One Month to One Year	Total
2021			
Attributable to unit holders			
Payable to fund manager	P 4,190,387	P -	P 4,190,387
Accrued expenses	14,778,816	75,510	14,854,326
	<b>P18,969,203</b>	<b>P75,510</b>	<b>P19,044,713</b>
2020			
Attributable to unit holders			
Payable to fund manager	P 652,075	P -	P 652,075
Accrued expenses	22,386,696	157,733	22,544,429
	<b>P23,038,771</b>	<b>P157,733</b>	<b>P 23,196,504</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 asset. The table had been drawn up based on the contractual maturities of the financial asset including interest that will be earned on that asset, 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
2021						
Attributable to shareholders						
Cash in banks	0.13%	P 49,263,738	P -	P -	P -	P 49,263,738
Attributable to unit holders						
Cash in banks	0.12%	P215,335,446	P -	P -	P -	P215,335,446
2020						
Attributable to shareholders						
Cash in banks	0.33%	P 49,213,406	P -	P -	P -	P 49,213,406
Attributable to unit holders						
Cash in banks	0.04%	P 45,066,594	P -	P -	P -	P 45,066,594

The Company expects to meet its obligations from operating cash flows and proceeds from maturing financial asset.

## 18. 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 10.

**The Fund Manager manages the Company's capital and NAVPU and NAVPS, as disclosed in Notes 10, 11 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:

- a. It does not issue senior securities;

- b. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- d. It generally maintains a diversified portfolio. Industry concentrations may vary at any **time depending on the investment manager's view on the prospects;**
- e. It does not invest directly in real estate properties and developments;
- f. It does not purchase or sell commodity futures contracts;
- g. 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;
- h. 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 invest at least 90% of its net assets in a Target Fund that tracks the performance of the MSCI All Country World Index (ACWI). The MSCI ACWI is a market-capitalization weighted stock market index designed to represent performance of the full opportunity set of large- and mid-cap stocks across developed and emerging markets. It is designed to provide a broad measure of equity-market performance throughout the world
- b. Benchmark - 95% MSCI ACWI (PhP Terms) + 5% 30-day USD Deposit.
- 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 1.00% 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:

	2021	2020
<b>Attributable to shareholders</b>		
Net assets attributable to shareholders	P 49,263,738	P49,213,406
Total assets	49,263,738	49,213,406
Equity ratio	1.0000:1	1.0000:1
<b>Attributable to unit holders</b>		
Net assets attributable to unit holders	P3,840,673,937	P595,122,549
Total assets	3,860,056,411	618,374,134
Equity ratio	0.9950:1	0.9685:1

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

19. 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 period is presented for purposes of filing with the BIR and is not a required part of the basic financial statements.

Details of the Company's other taxes and licenses and permit fees paid or accrued in 2021 are as follows:

<u>Charged to Operating Expenses</u>	
Filing and registration fees	P81,325
Business permits	14,424
Residence or community tax	800
Annual registration	500
Others	1,500
	<u>P98,549</u>

*Withholding taxes*

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

	Paid	Accrued	Total
Expanded withholding taxes	P 2,311,226	P 337,761	P 2,648,987

*Deficiency tax assessments*

The Company has no tax assessments and tax cases in 2021.

20. 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.

\* \* \*

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BOA/PRC Reg. No. 0004  
SEC Accreditation No. 0004-SEC

## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

To the Board of Directors and Shareholders  
SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER 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 World Equity Index Feeder 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 audits were 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 amended, 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 audits 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:



Joeffrey 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 World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue corner Rizal Drive, Bonifacio Global City, Taguig City

Items	Attributable to shareholders	Attributable to unit holders
<b>Unappropriated Retained Earnings, beginning</b>	<b>P (786,594)</b>	<b>P 45,625,142</b>
<b>Adjustments:</b>		
Accumulated net unrealized fair value gains as at December 31, 2020	-	<b>(54,389,694)</b>
<b>Net income (loss) based on the face of AFS</b>	50,332	464,860,460
<b>Adjustments for non-actual (gains) losses</b>		
Effect of movements in accumulated unrealized gains during the year	-	(435,765,270)
<b>Net Income Actual/Realized</b>	<b>50,332</b>	<b>29,095,190</b>
<b>Unappropriated Retained Earnings, as adjusted, ending</b>	<b>P (736,262)</b>	<b>P 74,720,332</b>

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

Schedule of Financial Soundness Indicators and Financial Ratios

December 31, 2021 and December 31, 2020

	Formula	2021		2020	
		Shareholders	Unit Holders	Shareholders	Unit Holders
<i>Current/ Liquidity Ratios</i>					
a. Current ratio	Current Assets/Current Liabilities	N/A	199.15:1	N/A	26.59:1
b. Quick ratio	Quick Assets/Current Liabilities	N/A	199.15:1	N/A	26.59:1
c. Cash ratio	Cash/Current Liabilities	N/A	11.11:1	N/A	1.94:1
d. Days in receivable	Receivable/Revenue * No. of days	N/A	N/A	N/A	N/A
e. Working capital ratio	(Current Assets/Current Liabilities)/Current Assets	1:1	0.99:1	1:1	0.96:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	783.02:1	57.28:1	296.83:1	-63854.35:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	N/A	9665.7:1	104288.4:1	26210.26:1
<i>Solvency Ratios</i>					
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	0.00	0.00	0.00	0.00
b. Debt to equity ratio	Total Liabilities/Total Equity	0.00	0.01	0.00	0.04
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	0.00	0.00	0.00	0.00
d. Total debt to asset ratio	Total Liabilities/Total Assets	0.00	0.01	0.00	0.04
Asset to equity ratio	Total Assets/Total Equity	1.00:1	1.01:1	1.00:1	1.04:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	N/A	N/A	N/A	N/A
<i>Profitability Ratio</i>					
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	100.00%	693.36%	-2.47%	-489561.81%
(EBITDA) margin	EBITDA/Revenue	100.00%	693.36%	-2.47%	-489561.81%
c. Pre-tax margin	EBIT/Revenue	100.00%	693.36%	-2.47%	-489561.81%
d. Effective tax rate	Income Tax/EBIT	20.00%	0.01%	-811.33%	0.00%
e. Post-tax margin	Net Income After Tax/Revenue	80.00%	693.31%	-22.46%	-489540.15%
f. Return on equity	Net Income After Tax/Average Common Equity	0.10%	12.10%	-0.08%	7.67%
g. Return on asset	NIAT/Average Total Assets	0.10%	12.04%	-0.07%	7.38%
Capital intensity ratio	Total Assets/Revenue	783.02:1	57.57:1	296.83:1	-66349.16:1
Fixed assets to total assets	Fixed assets/Total assets	N/A	N/A	N/A	N/A
Dividend payout ratio	Dividends paid/Net Income	N/A	N/A	N/A	N/A

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

<b>i. Percentage of Investment in a Single Enterprise to Net Asset Value</b>	<b>2021</b>	<b>2020</b>
As of December 31, 2021 and December 31, 2020	N/A	N/A
<b>ii. Total Investment of the Fund to the Outstanding Securities of an Investee Company</b>	<b>2021</b>	<b>2020</b>
As of December 31, 2021 and December 31, 2020	N/A	N/A
<b>iii. Total Investment in Liquid or Semi-Liquid Assets to Total Assets</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Liquid and Semi-Liquid Assets	49,263,738	49,213,406
TOTAL ASSETS	49,263,738	49,213,406
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%
<b>iv. Total Operating Expenses to Total Net Worth</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Operating Expenses	-	169,883
Average Daily Net Worth	49,173,240	49,020,616
Total Operating Expenses to Average Daily Net Worth	0.00%	0.35%
<b>v. Total Assets to Total Borrowings</b>		
As of December 31, 2021 and December 31, 2020		
	<b>2021</b>	<b>2020</b>
Total Assets	49,263,738	49,213,406
Total Borrowings	-	-
Total Assets to Total Borrowings	N/A	N/A

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

**SUN LIFE PROSPERITY WORLD EQUITY INDEX FEEDER FUND, INC.**

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

December 31, 2021 and December 31, 2020

	2021			2020		
	Unit Holders			Unit Holders		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	3,644,640,467	3,840,673,937	94.90%	573,307,540	595,122,549	96.33%

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

December 31, 2021 and December 31, 2020

	2021			2020		
	Unit Holders			Unit Holders		
	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee	Investment of the Fund	Outstanding Securities of an Investee Company	% over Investee
<b>Mutual Funds</b>						
SPD EQ USD MSCI ACWI ETF	353,927	17,126,767	2.07%	70,565	20,119,838	0.35%

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

December 31, 2021 and December 31, 2020

	2021	2020
Total Liquid and Semi-Liquid Assets	3,859,975,913	618,374,134
TOTAL ASSETS	3,860,056,411	618,374,134
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	100%	100%

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

December 31, 2021 and December 31, 2020

	2021	2020
Total Operating Expenses	35,941,310	8,493,418
Average Daily Net Worth	2,313,888,809	295,910,752.71
Total Operating Expenses to Average Daily Net Worth	1.55%	2.87%

**v. Total Assets to Total Borrowings**

December 31, 2021 and December 31, 2020

	2021	2020
Total Assets	3,860,056,411	618,374,134
Total Borrowings	19,382,474	23,251,585
Total Assets to Total Borrowings	19915%	2659%

The Company was incorporated on August 4, 2017 and started its commercial operations on July 6, 2020

Sun Life Prosperity World Equity Index Feeder 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**

**TABLE OF CONTENTS**

	<u>Page</u>
Table of Contents	
A. Financial Assets	<u>2</u>
B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related parties)	<u>N.A.</u>
C. Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N.A.</u>
D. Long-Term Debt	<u>N.A.</u>
E. Indebtedness to Related Parties	<u>3</u>
F. Guarantees of Securities of Other Issuers	<u>N.A.</u>
G. Capital Stock	<u>4</u>

**N.A. Not applicable**

Sun Life Prosperity World Equity Index Feeder 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
<b>Attributable to unit holders</b> <b>Equity shares:</b>			
SPD EQ USD MSCI ACWI ETF	353,927	P 3,644,640,467	-

Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES**  
As at December 31, 2021

Name of Related Party	Relationship	Balance at beginning of period	Balance at end of period
<b>Attributable to unit holders</b> Sun Life Asset Management Company, Inc.	Fund Manager	P 652,075	P 4,190,387

Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE G - 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
<b>Attributable to shareholders</b>						
Ordinary Shares	200,000,000	50,000,000	-	49,999,994	6	-
Treasury Shares	-	-	-	-	-	-
<b>TOTAL</b>	<b>200,000,000</b>	<b>50,000,000</b>	<b>-</b>	<b>49,999,994</b>	<b>6</b>	<b>-</b>



Sun Life Prosperity World Equity Index Feeder Fund, Inc.  
Sun Life Centre, 5th Avenue, Corner Rizal Drive, Bonifacio Global, Taguig City

**SCHEDULE G - CAPITAL STOCK**  
As at December 31, 2021

Title of Issue	Number of units offered	Net of contributions	Number of units reserved for options, warrants, conversion and other rights	Number of Units Held By		
				Related Parties	Directors, Officers and Employees	Others
<b>Attributable to unit holders</b>						
Ordinary Shares	100,000,000,000	2,746,782,392.53	-	50,298,401.99	-	2,696,483,990.54
<b>TOTAL</b>	<b>100,000,000,000</b>	<b>2,746,782,392.53</b>	<b>-</b>	<b>50,298,401.99</b>	<b>-</b>	<b>2,696,483,990.54</b>