




## Certification

I, Candy S. Esteban, the Treasurer of Sun Life Prosperity Dollar Wellspring Fund, Inc., a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number CS201517778 and with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

- 1) That I have caused this SEC Form 17-Q to be prepared on behalf of Sun Life Prosperity Dollar Wellspring Fund, Inc.;
- 2) That I have read and understood its contents which are true and correct based on my own personal knowledge and/or on authentic records;
- 3) That the company Sun Life Prosperity Dollar Wellspring 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.

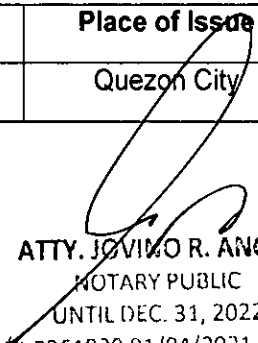
IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of May, 2021.

  
Candy S. Esteban  
 Affiant  
**PASAY CITY**

SUBSCRIBED AND SWORN to before me this MAY 17 2021 day of \_\_\_\_\_, 2021, in \_\_\_\_\_ City, Philippines. Affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Candy S. Esteban	Driver's License N02-95-277891	05/08/2018	Quezon City

Doc. No. 429;  
 Page No. 70;  
 Book No. V;  
 Series of 2021.

  
**ATTY. JOVINO R. ANGEL**  
 NOTARY PUBLIC  
 UNTIL DEC. 31, 2022  
 PTR. NO. 7361920 01/04/2021 PASAY CITY  
 IBP NO. 141069 01/04/2021 PASAY CITY  
 COMMISSION NO. 19-37-PASAY CITY  
 MCLE NO. V-0024151-10-25-2016  
 ROLL NO. 28761



SEC Number: CS201517778

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

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

(Company's Full Name)

**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, 2021**

-----  
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, 2021
2. Commission identification number: CS201517778
3. BIR Tax Identification No: 009-123-698-000
4. Exact name of issuer as specified in its charter

Sun Life Prosperity Dollar Wellspring 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: PostalCode

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of March 31, 2021)
<u>Common Shares (Unclassified)</u>	<u>5,838,471 shares</u>

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

Yes [ ] No [x]

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

\_\_\_\_\_

12. Indicate by check mark whether the registrant:

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

Yes [x] No [ ]

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

Yes [x] No [ ]

**PART A - FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.  
STATEMENTS OF FINANCIAL POSITION  
AS AT MARCH 31, 2021 AND DECEMBER 31, 2020**

(In US Dollars)

		(Unaudited)	(Audited)
	Notes	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash in banks	4	\$ 217,758	\$ 475,438
Financial assets at fair value through profit or loss	5	6,487,088	7,283,361
Accrued interest receivable	6	880	1,173
Due from brokers	7	210,000	-
Other current assets	8	663	-
		<b>\$6,916,389</b>	<b>\$7,759,972</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accrued expenses and other payables	9	\$ 12,002	\$ 4,685
Payable to fund manager	10	10,168	11,086
Due to brokers		35,000	50,000
Income tax payable		65	68
Total Current Liabilities		<b>57,235</b>	<b>65,839</b>
<b>Equity</b>			
Share capital	11	142,731	140,801
Additional paid-in capital	12	6,465,350	6,361,847
Retained earnings		1,017,328	1,191,485
		<b>7,625,409</b>	<b>7,694,133</b>
Treasury shares	11	(766,255)	-
Total Equity		<b>6,859,154</b>	<b>7,694,133</b>
		<b>\$6,916,389</b>	<b>\$7,759,972</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 1.1748</b>	<b>\$ 1.2022</b>
<b>Total Equity</b>		<b>6,859,154</b>	<b>7,694,133</b>
Capital Stock - Php1.00 per share			
Authorized - 10,000,000 shares			
Total number of shares outstanding		<b>5,838,471</b>	<b>6,400,040</b>
<b>Net Asset Value Per Share</b>	13	<b>\$ 1.1748</b>	<b>\$ 1.2022</b>

See Notes to Financial Statements.

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2021 AND MARCH 31, 2020**

(In US Dollars)

		(Unaudited)	(Unaudited)
	Notes	2021	2020
<b>Investment Income - net</b>			
Net realized gains on investments	5	<b>\$293,329</b>	\$66,109
Dividend income		<b>7,788</b>	5,355
Interest income	14	<b>797</b>	629
Others		<b>4</b>	-
		<b>301,918</b>	72,093
<b>Investment Expenses</b>			
Commission		-	248
<b>Net Investment Income</b>		<b>301,918</b>	71,845
<b>Operating Expenses</b>			
Management fees	10	<b>18,901</b>	16,432
Distribution fees	10	<b>15,751</b>	13,690
Directors fees	10	<b>1,316</b>	1,747
Custodian fees		<b>1,458</b>	1,323
Professional fees		<b>860</b>	705
Taxes and licenses		<b>378</b>	558
Printing and supplies		<b>11</b>	235
Miscellaneous		<b>385</b>	429
		<b>39,060</b>	35,119
<b>Profit Before Net Unrealized Gains on Investments</b>			
		<b>262,858</b>	36,726
<b>Net Unrealized Loss on Investments</b>	5	<b>(436,932)</b>	(775,666)
<b>Profit (Loss) Before Tax</b>		<b>(174,074)</b>	(738,940)
<b>Income Tax Expense</b>		<b>83</b>	106
<b>Total Comprehensive Loss for the Period</b>		<b>(\$174,157)</b>	(\$ 739,046)
<b>Basic earnings (loss) per share</b>	15	<b>(\$0.028)</b>	(\$0.125)

See Notes to Financial Statements.

**SUN LIFE PROSPERITY DOLLAR WELLSPRING FUND, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED MARCH 31, 2021 AND MARCH 31, 2020**  
(In US Dollars)

	<b>Notes</b>	<b>Share Capital</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings (Deficit)</b>	<b>Treasury Shares</b>	<b>Total</b>
Balance, January 1, 2021	11, 12	\$140,801	\$6,361,847	\$1,191,485	-	\$7,694,133
Total Comprehensive Loss for the Period		-	-	(174,157)	-	(174,157)
Transactions with owners:						
Issuance of shares during the period	11	1,930	104,224	-	-	106,154
Acquisition of treasury shares during the period		-	-	-	(908,743)	(908,743)
Reissuance of treasury shares during the period		-	(721)	-	142,488	141,767
Total transactions with owners		1,930	103,503	-	(766,255)	(660,822)
<b>Balance, March 31, 2021</b>	<b>11, 12</b>	<b>142,731</b>	<b>6,465,350</b>	<b>1,017,328</b>	<b>(766,255)</b>	<b>6,859,154</b>

	<b>Notes</b>	<b>Share Capital</b>	<b>Additional Paid-in Capital</b>	<b>Retained Earnings (Deficit)</b>	<b>Treasury Shares</b>	<b>Total</b>
Balance, January 1, 2020	11, 12	\$ 131,998	\$5,909,802	\$730,396	\$ (7,065)	\$ 6,765,131
Total Comprehensive Loss for the Period				(739,046)		(739,046)
Transactions with owners:						
Issuance of shares during the period	11	498	21,665	-	-	22,163
Acquisition of treasury shares during the period		-	-	-	(372,329)	(372,329)
Reissuance of treasury shares during the period		-	(5,158)	-	379,394	374,236
Total transactions with owners		498	16,507	-	7,065	24,070
Balance, March 31, 2020	11, 12	\$ 132,496	\$ 5,926,309	\$ (8,650)	\$ -	\$ 6,050,155

**See Notes to Financial Statements.**

**SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD ENDED MARCH 31, 2021 AND MARCH 31, 2020**  
(In US Dollars)

	Notes	2021	2020
<b>Cash Flows from Operating Activities</b>			
Loss before tax		(\$ 174,074)	\$ (738,940)
Adjustments for:			
Net unrealized (gains) loss on investments	5	436,932	775,666
Net realized gains on investments	5	(293,329)	(66,109)
Interest income	14	(797)	(629)
Operating cash flows before working capital changes		(31,268)	(30,012)
Decrease (Increase) in:			
Other current assets		(663)	(1,384)
Increase (Decrease) in:			
Accrued expenses and other payables		7,317	419
Payable to fund manager		(918)	(1,559)
Cash used in operations		(25,532)	(32,536)
Acquisition of financial assets at fair value			
through profit or loss		(1,455,166)	(2,281,958)
Proceeds from disposal of financial assets at fair value			
through profit or loss		1,882,836	2,358,176
Interest received		1,090	194
Income taxes paid		(86)	(3)
Net cash generated from operating activities		403,142	43,873
<b>Cash Flows from Financing Activities</b>			
Proceeds from issuance of share capital	11	106,154	22,163
Payments on acquisition of treasury shares	11	(908,743)	(372,329)
Proceeds from reissuance of treasury shares	11	141,767	374,236
Net cash generated from (used in) financing activities		(660,822)	24,070
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>		<b>(257,680)</b>	<b>67,943</b>
<b>Cash and Cash Equivalents, Beginning</b>		<b>475,438</b>	<b>187,918</b>
<b>Cash and Cash Equivalents, End</b>		<b>\$ 217,758</b>	<b>\$ 255,861</b>

*See Notes to Financial Statements.*



## NOTES TO FINANCIAL STATEMENTS

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

#### Statement of Compliance

These unaudited condensed consolidated interim financial statements of the Company as at and for the three-month period ended March 31, 2021 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, 2020, 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, 2020.

#### Functional and Presentation Currency

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

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

#### Adoption of New and Revised Accounting Standards Effective in 2020

The Company adopted all accounting standards and interpretations effective as at December 31, 2020. 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:

##### *Amendments to PAS 1 and PAS 8, Definition of Material*

The amendments relate to a revised definition of 'material':

*"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."*

Three new aspects of the new definition include (i) obscuring; (ii) could reasonably be expected to influence; and (iii) primary users.

The amendments stress especially five ways material information can be obscured:

- if the language regarding a material item, transaction or other event is vague or unclear;
- if information regarding a material item, transaction or other event is scattered in different places in the financial statements;

- if dissimilar items, transactions or other events are inappropriately aggregated;
- if similar items, transactions or other events are inappropriately disaggregated; and
- if material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for periods beginning on or after January 1, 2020. Earlier application is permitted.

The adoption of this amendment has no effect on the Company's financial statements as of March 31, 2021 as the financial and non-financial information are properly disclosed in the financial statements.

### **New Accounting Standards Effective after the Reporting Period Ended December 31, 2020**

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

#### *PFRS 17, Insurance Contracts*

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

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

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

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

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

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

The standard (incorporating the amendments) is effective for periods beginning on or after January 1, 2023. Earlier application is permitted.

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

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

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

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

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 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.

### **New Accounting Standards Effective in 2020 - Adopted by FRSC but pending for approval by the BOA**

#### *PIC Q&A No. 2019-04, Conforming Changes to PIC Q&As – Cycle 2019*

The interpretation sets out the changes (i.e., amendments or withdrawal) to certain interpretations. These changes are made as a consequence of the issuance of new PFRS that become effective starting January 1, 2019 and other relevant developments.

#### PIC Q&As Amended

The following table summarizes the changes made to the amended interpretations:

PIC Q&A Amended	Amendment
PIC Q&A No. 2011-05: PFRS 1 – Fair Value or Revaluation as Deemed Cost	Updated because of applying PFRS 16, Leases, for the first time starting January 1, 2019
PIC Q&A No. 2011-06: Acquisition of investment properties – asset acquisition or business combination?	Reference to PAS 40, Investment Property, has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2012-02: Cost of a new building constructed on the site of a previous building	Reference to PAS 40 has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2017-02: PAS 2 and PAS 16 - Capitalization of operating lease cost as part of construction costs of a building	Updated to comply with the provisions of PFRS 16 and renamed as PIC Q&A No. 2017-02: PAS 2 and PAS 16 - Capitalization of depreciation of right-of-use asset as part of construction costs of a building
PIC Q&A No. 2017-10: PAS 40 - Separation of property and classification as investment property	Reference to PAS 40 has been updated because of applying PFRS 16 for the first time starting January 1, 2019.
PIC Q&A No. 2018-05: PAS 37 - Liability arising from maintenance requirement of an asset held under a lease	Updated to comply with the provisions of PFRS 16
PIC Q&A No. 2018-15: PAS 1- Classification of Advances to Contractors in the Nature of Prepayments: Current vs. Non-current	Reference to PAS 40 (included as an attachment to the Q&A) has been updated because of applying PFRS 16 for the first time starting January 1, 2019.

PIC Q&A Withdrawn

PIC Q&A Withdrawn	Basis for Withdrawal
PIC Q&A No. 2017-09: PAS 17 and Philippine Interpretation SIC-15 - Accounting for payments between and among lessors and lessees	This PIC Q&A is considered withdrawn starting January 1, 2019, which is the effective date of PFRS 16. PFRS 16 superseded PAS 17, Leases, and Philippine Interpretation SIC-15, Operating Leases— Incentives
PIC Q&A No. 2018-07: PAS 27 and PAS 28 - Cost of an associate, joint venture, or subsidiary in separate financial statements	This PIC Q&A is considered withdrawn upon publication of IFRIC agenda decision - Investment in a subsidiary accounted for at cost: Step acquisition (IAS 27 Separate Financial Statements) in January 2019.

The effective date of the amendments is included in the affected interpretations.

The future adoption of the interpretations will have no effect on the Company's financial statements as the Company does not have any leased properties and assets classified as investment properties or investment in associate, joint venture, or subsidiary.

*PIC Q&A No. 2019-06, Accounting for Step Acquisition of a Subsidiary in a Parent*

The interpretation clarifies how a parent should account for the step acquisition of a subsidiary in its separate financial statements.

Salient points of the interpretation are the following:

IFRIC concluded either of the two approaches may be applied:

- Fair value as deemed cost approach  
Under this approach, the entity is exchanging its initial interest (plus consideration paid for the additional interest) for a controlling interest in the investee (exchange view). Hence, the entity's investment in subsidiary is measured at the fair value at the time the control is acquired.
- Accumulated cost approach  
Under this approach, the entity is purchasing additional interest while retaining the initial interest (non-exchange view). Hence, the entity's investment in subsidiary is measured at the accumulated cost (original consideration).

Any difference between the fair value of the initial interest at the date of obtaining control of the subsidiary and its original consideration is taken to profit or loss, regardless of whether, before the step acquisition transaction, the entity had presented subsequent changes in fair value of its initial interest in profit or loss or other comprehensive income (OCI).

The interpretation is effective for periods beginning on or after October 19, 2019.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company is not engaged in acquisition of a subsidiary.

*PIC Q&A No. 2019-07, Classification of Members' Capital Contributions of Non-Stock Savings and Loan Associations (NSSLAs)*

Background:

The Bangko Sentral ng Pilipinas (BSP) issued Circular No. 1045 on August 29, 2019 to amend the Manual of Regulations for Non-Bank Financial Institutions Applicable to Non-Stock Savings and Loan Associations (MORNBFIS) – Regulatory Capital of Non-Stock Savings and Loan Associations (NSSLAs) and Capital Contributions of Members.

Under the Circular, each qualified member of an NSSLA shall maintain only one capital contribution account representing his/her capital contribution. While only one capital account is maintained, the Circular breaks down a member's capital contributions as follows:

- a. Fixed capital which cannot be reduced for the duration of membership except upon termination of membership. The minimum amount of fixed capital is Php1,000, but a higher minimum can be prescribed under the NSSLA's by-laws.
- b. Capital contribution buffer, which pertains to capital contributions in excess of fixed capital. The capital contribution buffer can be withdrawn or reduced by the member without affecting his membership. However, the NSSLA shall establish and prescribe the conditions and/or circumstances when the NSSLA may limit the reduction of the members' capital contribution buffer, such as, when the NSSLA is under liquidity stress or is unable to meet the capital-to-risk assets ratio requirement under Sec. 4116S of the MORNBFI-S Regulations. Such conditions and/or circumstances have to be disclosed to the members upon their placement of capital contribution buffer and in manners as may be determined by the Board.

For purposes of identifying and monitoring the fixed capital and capital contribution buffer of a member's capital contribution, NSSLAs shall maintain subsidiary ledgers showing separately the fixed and capital contribution buffer of each member. Further, upon receipt of capital contributions from their members, NSSLAs shall simultaneously record the amount contributed as fixed and capital contribution buffer in the aforementioned subsidiary ledgers. However, NSSLAs may use other systems in lieu of subsidiary ledgers provided that that the system will separately show the fixed and capital contribution buffer of each member.

The interpretation assessed and concluded that both Fixed Capital and the Capital contribution buffer qualify as "equity" in the NSSLA's financial statements as they both meet all the requirements of paragraphs 16A and 16B of PAS32, Financial Instruments: Presentation.

The interpretation is effective for periods beginning on December 11, 2019, and should be applied retrospectively.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company is not classified as a non-bank financial institution under non-stock savings and loan associations.

*PIC Q&A No. 2019-08, PFRS 16, Leases - Accounting for Asset Retirement or Restoration Obligation ("ARO")*

The interpretation clarifies the recognition of ARO under the following scenarios:

1) Accounting for ARO at lease commencement date

The cost of dismantling and restoration (i.e., the ARO) should be calculated and recognized as a provision in accordance with PAS 37, with a corresponding adjustment to the related right-of-use (ROU) asset as required by PFRS 16.24(d). As such, the lessee will add the amount of ARO to the cost of the ROU asset on lease commencement date, which will then form part of the amount that will be amortized over the lease term.

2) Change in ARO after initial recognition

- 2.1) Because ARO is not included as a component of lease liability, the measurement of such ARO is outside the scope of PFRS 16. Hence, its measurement is generally not affected by the transition to PFRS 16. Except in cases where the reassessment of lease-related assumptions (e.g., lease term) would affect the measurement of ARO-related provision, the amount of ARO existing at transition date would not be remeasured; rather, the balance of the ARO provision and any related asset will remain as previously measured. The asset will simply be reclassified from property and equipment to the related ROU asset as required under PFRS 16.24(d).

2.2) Assuming there is a change in lease-related assumptions that would impact the ARO measurement (e.g., change in lease term due to the new PFRS 16 requirements), the following will be the accounting treatment depending on the method used by the lessee in adopting PFRS 16:

- a. *Modified retrospective approach* - Under this approach, the lessee uses the remaining lease term to discount back the amount of provision to transition date. Any adjustment is recognized as an adjustment to the ROU asset and ARO provision. This adjustment applies irrespective of which of the two methods in measuring the ROU asset will be chosen under the modified retrospective approach.
- b. *Full retrospective approach* - The ARO provision and related asset, which gets adjusted to the ROU asset, should be remeasured from commencement of the lease, and then amortized over the revised or reassessed lease term. Because full retrospective approach is chosen, it is possible that the amount of cumulative adjustment to the ARO provision and the ROU asset at the beginning of the earliest period presented will not be the same; hence, it is possible that it might impact retained earnings.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not have leased property with any related ARO.

*PIC Q&A No. 2019-09, Accounting for Prepaid Rent or Rent Liability Arising from Straight-lining under PAS 17 on Transition to PFRS 16 and the Related Deferred Tax Effects*

The interpretation aims to provide guidance on the following:

- How a lessee should account for its transition from PAS 17 to PFRS 16 using the modified retrospective approach. Specifically, this aims to address how a lessee should, on transition, account for any existing prepaid rent or rent liability arising from straight-lining of an operating lease under PAS 17, and
- How to account for the related deferred tax effects on transition from PAS 17 to PFRS 16.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not have prepaid rent or rent liability recognized for leased property.

*PIC Q&A No. 2019-10, Accounting for variable payments with rent review*

Some lease contracts provide for market rent review in the middle of the lease term to adjust the lease payments to reflect a fair market rent for the remainder of the lease term. This Q&A provides guidance on how to measure the lease liability when the contract provides for a market rent review.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not enter into any lease agreement.

*PIC Q&A No. 2019-11, Determining the current portion of an amortizing loan/lease liability*

The interpretation aims to provide guidance on how to determine the current portion of an amortizing loan/lease liability for proper classification/presentation between current and non-current in the statement of financial position.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not enter into any lease agreement.

*PIC Q&A No. 2019-12, PFRS 16, Leases – Determining the lease term*

The interpretation provides guidance how an entity determine the lease term under PFRS 16.

A contract would be considered to exist only when it creates rights and obligations that are enforceable. Therefore, any non-cancellable period or notice period in a lease would meet the



definition of a contract and, thus, would be included as part of the lease term. To be part of a contract, any option to extend or terminate the lease that are included in the lease term must also be enforceable.

If optional periods are not enforceable (e.g., if the lessee cannot enforce the extension of the lease without the agreement of the lessor), the lessee does not have the right to use the asset beyond the non-cancellable period. Consequently, by definition, there is no contract beyond the non-cancellable period (plus any notice period) if there are no enforceable rights and obligations existing between the lessee and lessor beyond that term.

In assessing the enforceability of a contract, an entity should consider whether the lessor can refuse to agree to a request from the lessee to extend the lease. Accordingly, if the lessee has the right to extend or terminate the lease, there are enforceable rights and obligations beyond the initial non-cancellable period and thus, the parties to the lease would be required to consider those optional periods in their assessment of the lease term. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, an entity shall consider all relevant facts and circumstances (i.e., including those that are not indicated in the lease contract) that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not enter into any lease agreement.

*PIC Q&A No. 2019-13, PFRS 16, Leases – Determining the lease term of leases that are renewable subject to mutual agreement of the lessor and the lessee*

The interpretation provides guidance how an entity determine the lease term under PFRS 16. This interpretation focuses on lease contracts that are renewable subject to mutual agreement of the parties.

A renewal option is only considered in determining the lease term if it is enforceable. A renewal that is still subject to mutual agreement of the parties is legally unenforceable under Philippine laws until both parties come to an agreement on the terms.

In instances where the lessee have known to be, historically, renewing the lease contract after securing mutual agreement with the lessor to renew the lease contract, the lessee's right to use the underlying asset does not go beyond the one-year period covered by the current contract, as any renewal still has to be agreed on by both parties. A renewal is treated as a new contract.

The future adoption of the interpretation will have no effect on the Company's financial statements since the Company does not enter into any lease agreement.

*PIC Q&A No. 2020-01, Conforming Changes to PIC Q&As – Cycle 2020*

The interpretation sets out the changes (i.e., amendments or withdrawal) to certain interpretations. These changes are made as a consequence of the issuance of new PFRS that become effective starting January 1, 2019 and other relevant developments.

### PIC Q&As Amended

The following table summarizes the changes made to the amended interpretations:

PIC Q&A Amended	Amendment
Framework 4.1 and PAS 1.25 – Financial statements prepared on a basis other than going concern	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020
PIC Q&A No. 2016-03: Accounting for common areas and the related subsequent costs by condominium corporations	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020
PIC Q&A No. 2011-03: Accounting for intercompany loans	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020
PIC Q&A No. 2017-08: PFRS 10 – Requirement to prepare consolidated financial statements where an entity disposes of its single investment in a subsidiary, associate or joint venture	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020
PIC Q&A No. 2018-14: PFRS 15 – Accounting for cancellation of real estate sales	References to <i>The Conceptual Framework for Financial Reporting</i> have been updated due to the revised framework effective January 1, 2020

### PIC Q&A Withdrawn

PIC Q&A Withdrawn	Basis for Withdrawal
PIC Q&A No. 2011-06: Acquisition of investment properties – asset acquisition or business combination?	With the amendment to PFRS 3 on the definition of a business effective January 1, 2020, there is additional guidance in paragraphs B7A-B12D of PFRS 3 in assessing whether acquisition of investment properties is an asset acquisition or business combination (i.e. optional concentration test and assessment of whether an acquired process is substantive)

The effective date of the amendments is included in the affected interpretations.

The future adoption of the interpretation 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.

*PIC Q&A No. 2020-02, Conclusion on PIC QA 2018-12E: On certain materials delivered on site but not yet installed*

The interpretation clarifies the treatment of uninstalled materials in the measurement of the progress of the performance obligation.

The PIC has concluded that in recognizing revenue using a cost-based input method, customized materials are to be included in the measurement of the progress of work while materials that are not customized should be excluded. This is because if the materials are customized, the real estate developer is not just providing a simple procurement service to the customer as it is significantly involved in the design and details of the manufacture of the materials. As such, the costs incurred on the customized materials, even if still uninstalled, are to be included in the measurement of progress to properly capture the efforts expended by the real estate developer in completing its performance obligation.

This interpretation is effective for periods beginning on or after November 6, 2020.

The future adoption of the interpretation will have no effect on the Company's financial statements as the Company does not engaged in real estate developments and contracts.

*PIC Q&A No. 2020-03, Accounting of the difference when the percentage of completion is ahead of the buyer's payment*

This interpretation provides two views on the accounting treatment for the excess of the revenue recognized based on percentage of completion over the buyer's payment.

- View number 1

The difference is recorded as a contract asset as PFRS 15.107 states that if an entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the entity shall present the contract as a contract asset, excluding any amounts presented as a receivable.

- View number 2

The difference is recorded as a receivable as PFRS 15.108 states that a receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due. An entity would recognize a receivable if it has a present right to payment even though that amount may be subject to refund in the future.

This interpretation is effective for periods beginning on or after September 30, 2020.

The future adoption of the interpretation will have no effect on the Company's financial statements as the Company does not have contacts or agreements accounted for using percentage of completion method.

*PIC Q&A No. 2020-04, PFRS 15 - Step 3 - Requires an Entity to Determine the Transaction Price for the Contract*

The interpretation clarifies the question on whether a significant financing component exists if there is a mismatch between the Percentage-of-Completion (POC) and the schedule of payments.

There is no significant financing component, if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Also, as provided under paragraph 63 of PFRS 15, an entity need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and SFC is not expected to be significant.

This interpretation is effective for periods beginning on or after November 11, 2020.

The future adoption of the interpretation will have no effect on the Company's financial statements as the Company does not have contacts or agreements accounted for using percentage of completion method.

PIC Q&A No. 2020-05, PFRS 15 - Accounting for Cancellation of Real Estate Sales

The interpretation has provided three approaches for the accounting for cancellation of real estate sales and the repossession of the property, provided that an entity applies it consistently:

- The reposessed property is recognized at its fair value less cost to repossess
- The reposessed property is recognized at its fair value plus repossession cost
- The cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable).

This interpretation is effective for periods beginning on or after November 11, 2020.

The future adoption of the interpretation will have no effect on the Company's financial statements as the Company does not engaged in real estate developments and contracts.

PIC Q&A No. 2020-06, PFRS 16 - Accounting for payments between and among lessors and lessees

The interpretation provides for the treatment of payments between and among lessors and lessees as follows:

	Transaction	Treatments in the financial statements of			Basis
		Lessor	Old lessor	New Lessee	
1	Lessor pays old lessee - lessor intends to renovate the building	i. Recalculate the revised leased payments (net of the one-off amount to be paid) and amortize over the revised lease term. ii. If net payable, recognize as expense unless the amount to be paid qualifies as capitalizable cost under PAS 16 or PAS 40; in which case it is capitalized as part of the carrying amount of the associated property if it meets the definition of construction costs under PAS 16 or PAS 40.	i. Recognize in profit and loss at the date of modification the difference between the proportionate decrease in the right-of-use asset based on the remaining right-of-use asset for the remaining period and remaining lease liability calculated as the present value of the remaining lease payments discounted using the original discount rate of the lease. ii. Recognize the effect of remeasurement of the remaining lease liability as an adjustment to the right-of use-asset by referring to the revised lease payments (net of any amount to be received from the lessor)and using a revised discount rate. iii. Revisit the amortization period of right-of-use asset and any related leasehold improvement following the shortening of the term.		<ul style="list-style-type: none"> <li>• PFRS 16; par. 87</li> <li>• PAS 16; pars. 6, 16-17</li> <li>• PAS 40; par. 21</li> <li>• PFRS 16; par. 45</li> <li>• Illustrative example 18 issued by IASB</li> <li>• PAS 16; pars. 56-57</li> </ul>

	Transaction	Treatments in the financial statements of			Basis
		Lessor	Old lessor	New Lessee	
2	Lessor pays old lessee - new lease with higher quality lessee	Same as Item 1	Same as Item 1		Same as Item 1 PFRS 16 par. 83
3	Lessor pays new lessee - an incentive to occupy	<p>i. Finance lease:</p> <ul style="list-style-type: none"> <li>• If made after commencement date, incentive payable is credited with offsetting debit entry to the net investment lease.</li> <li>• If paid at or prior to commencement date, included in the calculation of gain or loss on disposal on finance lease.</li> </ul> <p>ii. Operating lease add the initial direct costs to the carrying amount of underlying asset and recognize as expense over the lease term either on a straight-line basis or another systematic basis.</p>		<p>i. Record as a deduction to the cost of the right-of-use asset.</p> <p>ii. Lease incentive receivable is also included as reduction in measurement of lease liability.</p> <p>iii. When lessee receives the payment of lease incentive, the amount received is debited with a credit entry to gross up the lease liability.</p>	<ul style="list-style-type: none"> <li>• PAS 16; par. 68</li> <li>• PAS 16; par. 71</li> <li>• PFRS 16; par. 83</li> <li>• PFRS 16; par. 24</li> </ul>
4	Lessor pays new lessee - building alterations specific to the lessee with no further value to lessor	Same as Item 3		<p>i. Same as in fact pattern 1C.</p> <p>ii. Capitalize costs incurred by the lessee for alterations to the building as leasehold improvement in accordance with PAS 16 or PAS 40.</p>	<ul style="list-style-type: none"> <li>• Same as in fact pattern 1C.</li> <li>• PAS 40; par. 21</li> <li>• PAS 16; pars. 16-17</li> </ul>
5	Old lessee pays lessor to vacate the leased premises early	Recognize as income immediately, unless it was within the original contract and the probability criterion was previously met, in which case, the amount would have already been	Recognize as expense immediately unless it was within the original contract and the probability criterion was previously met, in which case, the financial impact would have been recognized already as part of the lease liability.		<ul style="list-style-type: none"> <li>• PAS 16</li> <li>• PAS 38</li> <li>• PFRS 16; par. 18</li> </ul>

	Transaction	Treatments in the financial statements of			Basis
		Lessor	Old lessor	New Lessee	
		recognized as income using either a straight-line basis or another systematic basis.			
6	Old lessee pays new lessee to take over the lease		Recognize as an expense immediately.	Recognize as income immediately.	<ul style="list-style-type: none"> <li>• PAS 16</li> <li>• PAS 38</li> <li>• PFRS 16; Appendix A</li> </ul>
7	New lessee pays lessor to secure the right to obtain a lease agreement	i. If finance lease, recognize gain or loss in the profit or loss arising from the derecognition of underlying assets ii. If operating lease, recognize as deferred revenue and amortize over the lease term on a straight-line basis or another systematic basis.		Recognize as part of the cost of the right-of-use asset.	PFRS 16; par. 24 <ul style="list-style-type: none"> <li>• PAS 16; par. 71</li> <li>• PFRS 16; par 81</li> </ul>
8	New lessee pays old lessee to buy out the lease agreement		Recognize as again immediately. Any remaining lease liability and right-of-use asset will be derecognized with net amount through P&L.	Account for as initial direct cost included in the measurement of the right-of-use asset.	<ul style="list-style-type: none"> <li>• PFRS 16; Appendix A</li> <li>• PFRS 16; Example 13 in par. IE5</li> <li>• PFRS 16; par. 24</li> </ul>

This interpretation is effective for periods beginning on or after December 9, 2020.

The future adoption of the interpretation will have no effect on the Company's financial statements as the Company does not enter into lease contracts or agreements.

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.

### 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 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, 2021 and December 31, 2020, the Company does not have financial assets classified at 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 SPPI.

All other debt and equity instruments must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of comprehensive income, except for equity investments that are not held for trading, which may be recorded in the statement of comprehensive income or in reserves (without subsequent recycling to profit or loss).

##### Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

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

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 POCI financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

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

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial instruments other than POCI financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

#### Equity instruments

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



The Company subsequently measures all equity investments at FVTPL, except where the Company's management has elected, at initial recognition, to irrevocably designate an equity instrument at FVTOCI. The Company's policy is to designate equity investments as FVTOCI when those investments are held for the purposes other than to generate investment returns. When the election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Company's right to receive payment is established.

Changes in the fair value of financial assets at FVTPL are recognized in net realized gains (losses) on investments in the statement of comprehensive income 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, 2021 and December 31, 2020, the Company does not have financial assets at FVTOCI.

#### *Impairment of financial assets*

The Company recognizes a loss allowance for ECL on investments in debt instruments that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

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

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

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

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

#### *Significant increase in credit risk*

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

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

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

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

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

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

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

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

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

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

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

#### *Default*

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

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

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

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

#### *Credit-impaired financial assets*

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

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

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortized cost or 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.

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

#### *Offsetting financial instruments*

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

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

#### *Derecognition of financial liabilities*

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

#### Equity instruments

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

### *Share capital*

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

### *Retained earnings*

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

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

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

### *Deposits for future stock subscriptions*

Deposits for future stock subscriptions are recorded at historical cost. According to Financial Reporting Bulletin (FRB) No. 6 as issued by SEC, these are classified as equity when all of the following criteria are met:

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

Deposits for future stock subscriptions are classified as liability, when any of the above criteria are not met.

### **Prepayments**

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

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

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

### Interest income

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

### Realized gains or losses

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

### Fair value gains or losses

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

### Other income

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

## **Expense Recognition**

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

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

## **Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is

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

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

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

### **Related Party Transactions**

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

Parties are considered related if one party has control, joint control, or significant influence over the other party in making financial and operating decisions. An entity that is a post-employment benefit plan for the employees of the Company and the key management personnel of the Company are also considered to be related parties.

### **Taxation**

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

#### Current tax

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

#### **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 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 deposit for future stock subscriptions.

#### **Events After the Reporting Period**

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

#### **4. CASH IN BANKS**

	<b>March 2021</b>	<b>December 2020</b>
Cash in banks	<b>\$ 217,758</b>	<b>\$ 475,438</b>

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

	March 2021	December 2020
Global mutual funds	\$ 5,292,332	\$ 5,926,854
Global exchange traded funds	880,248	1,318,719
Investments in fixed-income securities	314,508	280,802
	<b>\$ 6,487,088</b>	<b>\$ 7,283,361</b>

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

	March 2021	December 2020
Net realized gains (losses) on investments in:		
Equity securities	\$ 336,079	\$ 107,061
Fixed-income securities	(42,750)	2,616
	293,329	109,677
Net unrealized gains (losses) on investments in:		
Equity securities	(447,270)	628,350
Fixed-income securities	10,338	(16,817)
	(436,932)	611,533
	<b>\$ (143,603)</b>	<b>\$ 721,210</b>

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

	March 2021	December 2020
Balance, January 1	\$ 7,283,361	\$6,590,513
Additions	1,440,166	8,392,815
Disposal	(1,799,507)	(8,311,500)
Unrealized gains (losses)	(436,932)	611,533
Balance, March 31	<b>\$ 6,487,088</b>	<b>\$7,283,361</b>

6. **ACCRUED INTEREST RECEIVABLE**

	March 2021	December 2020
Fixed-income securities	\$ 880	\$ 1,173

7. **DUE FROM BROKERS**

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

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

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

Commissions are paid to brokers when buying and selling shares of stock.

8. OTHER CURRENT ASSETS

	March 2021	December 2020
Prepaid expenses	\$ 663	\$ -

9. ACCRUED EXPENSES AND OTHER PAYABLES

	March 2021	December 2020
Due to investors	\$ 6,036	\$ -
Professional fees	3,057	2,333
Custodianship fees	1,851	1,220
Withholding and documentary stamp taxes	1,047	1,132
Others	11	-
	\$ 12,002	\$ 4,685

Due to investors pertains to cash deposited by investors for subscription to the mutual fund which are yet to be processed at period-end.

10. RELATED PARTY TRANSACTIONS

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

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

Nature of Transaction	Transactions as of end of the Quarter	Outstanding Balances		Terms	Condition
	Q1 2021	Q1 2021	December 2020		
SLAMCI – Fund Manager Management Distribution and Transfer fees	\$ 34,652	\$ 10,168	\$ 11,086	Non-interest bearing; 1.65% of average daily net assets; settled in cash on or before the 15th day of the following month	Unsecured; Unguaranteed
Key Management Personnel Directors' Fees	\$ 1,316	\$ -	\$ -	Payable on demand; Settled in cash	Unsecured

## 11. EQUITY

	2021	
	Shares	Amount
Authorized:		
at P1.00 par value		
At January 1	10,000,000	P 10,000,000
Issued and fully paid:		
At January 1	6,400,040	\$ 140,801
Issuance during the period	87,749	1,930
At March 31	6,487,789	\$ 142,731
Treasury shares:		
At January 1	-	\$ -
Acquisition	766,185	908,743
Reissuance	(116,867)	(142,488)
At March 31	649,318	\$ 766,255

Fully paid ordinary shares with a par value of P1.00 carry one vote per share and carry a right to dividends.

### *Incorporation*

The Company was incorporated on September 4, 2015 with 6,000,000 authorized shares with a par value of 1.00. The SEC approved the registration on March 22, 2016.

### *Approved changes*

On September 7, 2015, the shareholders approved the blanket increase of the Company's authorized share capital up to 100,000,000,000 shares with a par value of P1.00 per share. The increase will be implemented by the Chairman of the Board of Directors and President of SLAMCI acting jointly in tranches.

On September 21, 2017, the Chairman of the Board of Directors of the Company and the President of SLAMCI jointly authorized the increase in Authorized Capital Stocks by Four Million Pesos (P4,000,000) divided into Four Million (4,000,000) shares at a par value of P1 per share. This increases the authorized capital stock from P6,000,000 divided into 6 million shares to P10,000,000 divided into 10 million shares.

In April 2018, requirements were already provided to SEC based on the evaluator's initial comments.

On July 25, 2018, the SEC approved the additional 4 Million shares increase in authorized capital stock, from 6 Million shares to 10 Million shares at a par value of P1.00 per share.

On September 18, 2018, the SEC received the registration statement filed by the Company to register the approved 4,000,000 shares.

On October 23, 2019, SEC approved the registration statement for the 4,000,000 shares increase.

### *Stock Dividend*

On March 13, 2018, the Board of Directors approved the declaration of stock dividends amounting to up to 2% of the outstanding shares with record date of April 30, 2018, and payout date of July 20, 2018. Said declaration is conditional on the shareholders' approval during the stockholders' meeting on July 18, 2018.

Subsequently, on June 29, 2018, the Board of Directors approved the amendment of the dates of the declaration of stock dividends equivalent to 2% of the outstanding shares for stockholders of record to July 31, 2018, for payout on September 28, 2018.

On September 21, 2018, it was reported to the SEC that a declaration of stock dividends amounting to up to 2% of the outstanding shares with record date of July 31, 2018, and payout date of September 28, 2018, or any reasonable date after approval of SEC on the stock dividend declaration has been obtained.

On October 26, 2018, 4,001,401 shares or 69.48% of the outstanding capital stock as at September 28, 2018 were present in person or by proxy; and by majority of the Board of Directors present, the declaration of 2% stock dividends to shareholders of record as of September 28, 2018 has been approved. The Board unanimously approved to move the dividend payout date from December 21, 2018 to October 26, 2018.

On October 7, 2019, 4,041,260 shares or 67.95% of the outstanding capital stock as at September 5, 2019 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 0.50% stock dividends to shareholders of record as of October 8, 2019 has been approved. The payout date was on October 9, 2019.

On November 13, 2020, 4,196,301 shares or 70.39% of the outstanding capital stock as at September 30, 2020 were present in person or by proxy and by majority of the Board of Directors present, the declaration of 1.88% stock dividends to shareholders of record as of November 26, 2020 has been approved. The payout date was on November 27, 2020.

**Current state**

As at March 31, 2021, the Company has 5,838,471 issued and outstanding shares out of the 10,000,000 ACS with a par value of P1.00 per share.

The following table shows the number of institutional and retail investors and the percentage of their investments, and the geographic concentration of investments as of March 31, 2021.

% Ownership of Institutional Investors	% Ownership of Retail Investors
17.56%	82.44%

Area	Percentage of Investments
LUZON	93%
VISAYAS	5%
MINDANAO	2%
TOTAL	100%

**12. ADDITIONAL PAID-IN CAPITAL**

	March 2021	December 2020
APIC	\$ 6,465,350	\$ 6,361,847

**13. NET ASSET VALUE PER SHARE**

	March 2021	December 2020
Total equity	\$ 6,859,154	\$ 7,694,133
Issued and outstanding Shares	5,838,471	6,400,040
NAVPS	\$ 1.1748	\$ 1.2022

## 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:

	Yields	NAVPS	NAVPS date
Year on year yield (1-year)	19.1258%	\$ 1.0046	March 31, 2020
3 Year - Simple	5.5720%	\$ 1.1127	March 28, 2018
5Year - Simple	-	-	-

## 14. INTEREST INCOME

	March 2021	March 2020
Fixed-income securities	\$ 791	\$ 612
Cash in banks	6	17
	\$ 797	\$ 629

## 15. EARNINGS (LOSS) PER SHARE

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

	March 2021	March 2020
Total comprehensive loss for the period	(\$ 174,157)	(\$ 739,046)
Weighted average number of outstanding shares for the purpose of computing earnings / loss per share	6,264,272	5,935,636
Basic and diluted loss per share	(\$ 0.028)	(\$ 0.125)

## 16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at fair value on a recurring basis

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

	Note	Level 1
<b>March 31, 2021</b>		
Global mutual funds	5	\$ 5,292,332
Global exchange traded funds	5	880,248
Investments in fixed-income securities	5	314,508
		<b>\$ 6,487,088</b>
December 31, 2020		
Global mutual funds	5	\$5,863,840
Global exchange traded funds	5	1,318,719
Investments in fixed-income securities	5	280,802
		<b>\$7,283,361</b>

The fair value of fixed-income securities is based on quoted prices of either done deals or bid rates. Investments in mutual funds and traded funds are valued at their published NAVPS as at reporting date.

Financial assets and liabilities not measured at fair value

The carrying amounts and fair values of the Company's financial assets and financial liabilities are shown below:

	Notes	Carrying Amounts	Fair Values		Total
			Level 1	Level 2	
<b>March 31, 2021</b>					
<b>Financial Assets</b>					
Cash in banks	4	\$ 217,758	\$ 217,758	\$ -	\$ 217,758
Due from brokers	7	210,000	-	210,000	210,000
Accrued interest receivable	6	880	-	880	880
		<b>\$ 428,638</b>	<b>\$ 217,758</b>	<b>\$ 210,880</b>	<b>\$ 428,638</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 10,955	\$ -	\$ 10,955	\$ 10,955
Due to brokers		35,000	-	35,000	35,000
Payable to fund manager	10	10,168	-	10,168	10,168
		<b>\$ 56,123</b>	<b>\$ -</b>	<b>\$ 56,123</b>	<b>\$ 56,123</b>
December 31, 2020					
<b>Financial Assets</b>					
Cash in banks	4	\$475,438	\$475,438	\$ -	\$475,438
Accrued interest receivable	6	1,173	-	1,173	1,173
		<b>\$476,611</b>	<b>\$475,438</b>	<b>\$ 1,173</b>	<b>\$476,611</b>
<b>Financial Liabilities</b>					
Accrued expenses and other payables	9	\$ 3,553	\$ -	\$ 3,553	\$ 3,553
Due to brokers		50,000	-	50,000	50,000
Payable to fund manager	10	11,086	-	11,086	11,086
		<b>\$ 64,639</b>	<b>\$ -</b>	<b>\$ 64,639</b>	<b>\$ 64,639</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.

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



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

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

#### Statement of Financial Position and Statements of Changes in Equity –

31 March 2021 vs. December 31, 2020

For the Period Ended	31-Mar-21	31-Dec-20	Movement	Percentage (%)	MDAS
	Unaudited	Audited			
Cash in banks	\$ 217,758	\$ 475,438	(\$ 257,680)	-54.20%	Liquidity requirements are still met.
Financial assets at fair value through profit or loss	6,487,088	7,283,361	(796,273)	-10.93%	The decrease was due to net disposal of investments and unrealized loss incurred during the period.
Accrued interest receivable	880	1,173	(293)	100.00%	Collection of interest depends on the scheduled interest payments of each asset.
Due from brokers	210,000	-	210,000	100.00%	This account refers to amounts receivable from brokers arising from the sale of investments processed on or before the reporting period, which are settled three days after the transaction date.
Other current assets	663	-	663	100.00%	Prepaid expenses to be amortized until end of the accounting period.
<b>Total Assets</b>	<b>6,916,389</b>	<b>7,759,972</b>	<b>(843,583)</b>	<b>-10.87%</b>	
Accrued expenses and other payables	12,002	4,685	7,317	156.18%	The increase was due to custodian fees and professional fees payable and 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	10,168	11,086	(918)	-8.28%	The decrease was due to lower outstanding recoverable fees from fund manager as of period end.
Due to brokers	35,000	50,000	(15,000)	-30.00%	This account pertains to amounts payable to brokers for the purchase of investments processed on or before the reporting period, which are settled four days after the transaction date.
Income tax payable	65	68	(3)	100.00%	Accrual of income tax for the 1st quarter of 2021.
<b>Total Liabilities</b>	<b>57,235</b>	<b>65,839</b>	<b>(8,604)</b>	<b>-13.07%</b>	
Share capital	142,731	140,801	1,930	1.37%	New issuance of shares during the period.
Additional paid in capital	6,465,350	6,361,847	103,503	1.63%	
Retained earnings	1,017,328	1,191,485	(174,157)	-14.62%	Net loss for the period.
Treasury Shares	(766,255)	-	(766,255)	100.00%	Due to net acquisition of treasury shares during the period.
<b>Net Assets</b>	<b>6,859,154</b>	<b>7,694,133</b>	<b>(834,979)</b>	<b>-10.85%</b>	Due to net loss and acquisition of treasury shares and partly offset with new shares issuance.
<b>Net Assets Value per Share</b>	<b>\$ 1.1748</b>	<b>\$ 1.2022</b>	<b>P (0.0274)</b>	<b>-2.28%</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 2021 vs. March 31, 2020**

	31-Mar-21	31-Mar-20	Movement	Percentage (%)	MDAS
	Unaudited	Unaudited			
<b>Investment Income</b>	\$ 301,918	\$ 72,093	\$ 229,825	318.79%	The increase mainly pertains to the higher trading gains realized upon disposal of securities and higher interest income earned during the period.
<b>Investment Expense</b>	-	248	(248)	-100.00%	Dependent on the percentage of the amount of stock trading as sold and purchased for the period.
<b>Operating Expenses</b>	39,060	35,119	3,941	11.22%	This is due to the increase in management fees brought by higher AUM and partly offset with the decline in recorded directors' fees incurred for the period.
<b>Net Unrealized Losses on Investments</b>	(436,932)	(775,666)	338,734	-43.67%	Due to impact of unfavorable market condition during the period.
<b>Provision for Income Tax</b>	83	106	(23)	-21.70%	Income tax under MCIT and final taxes of interest income earned from fixed income investments.
<b>Net Investment Loss</b>	<b>(\$ 174,157)</b>	<b>(\$ 739,046)</b>	<b>564,889</b>	<b>76.43%</b>	

Average daily net asset value from January to March 2021 and January to March 2020 are \$ 7,604,485 and \$ 6,565,996, 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, 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.

**PART II – RISK MANAGEMENT**

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

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

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

- 1.1 Market Risk:** Market risk is the risk of possible decline in the value of the Fund due to fluctuations in prices of the fund's assets. Since the Fund may invest in both equity and fixed income securities, it is subject to two types of market risks: (1) Interest Rate Risk applicable to fixed income investments of the Fund; and (2) Equity Price Risk applicable to the equity investments of the Fund.
- 1.2 Interest Rate Risk:** Interest Rate Risk is a type of Market Risk which is applicable to the Fund's investments in bonds, if any. This refers to the increase/decrease of a bond-price due to movement in market factors such as changes in interest rates. A change in interest rates is the period when interest rates rise or fall thus causing the decline or increase in the market price of the bonds held by the Fund, if any.

This risk is minimized by closely monitoring the direction of interest rates and aligning it with the appropriate strategy of the Fund.

- 1.3 Equity Risk:** Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks should rise. The opposite is also true. The value of a Fund is affected by changes in the prices of the stocks it holds. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.
- 1.4 Liquidity Risk:** The Funds are usually able to service redemptions of investors within 7 business 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 enough cash to pay for the redemptions within the normal 7-day period.
- 1.5 Credit Risk:** Investments in bonds carry the risk that the issuer of the bonds might not be able to meet its interest and principal payments. In which case, the value of the bonds will be adversely affected and may result in a write-off of the concerned asset held by the Fund, resulting to a significant decrease in its NAVPS. To mitigate this 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. The credit quality of the Issuer/Borrower/Counterparty is reviewed periodically to ensure that excellent credit standing is maintained. Moreover, a 15% exposure limit to a single entity is likewise observed.
- 1.6 Foreign Investment Risk:** The Fund invests in securities issued by corporations in, or governments of, countries other than the Philippines. Investing in foreign securities can be beneficial in expanding your investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:
- companies outside of the Philippines may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in the Philippines;
  - the legal systems of some foreign countries may not adequately protect investor rights;
  - political, social or economic instability may affect the value of foreign securities;
  - foreign governments may make significant changes to tax policies, which could affect the value of foreign securities; and
  - foreign governments may impose currency exchange controls that prevent a Fund from taking money out of the country.
- 1.7 Fund Manager Risk:** The performance of the Funds is also dependent on the Fund Manager's skills. Hence, the Fund may underperform in the market and/or in comparison with similar funds due to investment decisions made by the Fund Manager, and may also fail to meet the Fund's investment objectives. The Board of Directors of the Funds, however, shall ensure that all investment policies and restrictions enumerated in this Prospectus are strictly followed.
- 1.8 Geographic Concentration Risk:** Some Funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these Funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds with more geographically-diversified holdings.
- 1.9 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.

- 1.10 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.
- 1.11 Dilution Risk:** Being an open-end mutual fund, various investors may effectively subscribe to any amount of shares of the Fund. You then face the risk of your investments being diluted by the shares of the other investors of the Fund. The influence that the investors can exert over the control and management of the Fund decreases proportionately.
- 1.12 Large Transaction Risk:** If an investor in a Fund makes a large transaction, the Fund's cash flow may be affected. For example, if an investor redeems a large number of shares of a Fund, that Fund may be forced to sell securities at unfavorable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the net asset value of the Fund.
- 1.13 Non-Guarantee:** Unlike deposits made with banks, an investment in the Fund is neither insured nor guaranteed by the FDIC. You carry the risk of losing the value of your investment, without any guarantee in the form of insurance. Moreover, as with any investment, it is important to note that past performance of the Fund does not guarantee its future success.
- 1.14 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.
- 1.15 Operational Risk:** This is the risk of loss resulting from inadequate or failed internal processes, controls, people and systems. Categories of operational risks may fall under: sales and distribution, human resources, information technology, processes and people, accounting and finance, model risk, legal and regulatory and third party relationships. The Fund ensures that the internal controls and practices are consistent with enterprise wide policies supporting the management of operational risks. The Fund has established business specific guidelines. Comprehensive investment program, including appropriate level of self-insurance, is maintained to provide protection against potential losses.

## 2. Capital Risk Management

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

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

The capital structure of the Company consists of issued capital.

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

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

- a. It does not issue senior securities;
- b. It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if, at the time of its incurrence or immediately thereafter, there is asset coverage of at least 300% for all its borrowings;
- c. It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own share capital;
- d. It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects;
- e. It does not invest more than twenty percent (20%) of its net assets in real estate properties and developments, subject to investment restrictions and/or limitations under applicable law, if any.
- f. It does not purchase or sell commodity futures contracts;
- g. It does not make any loan to other persons, or to other interested persons such as the members of the Board of Directors, officers of the Fund and any affiliates, or affiliated corporations of the Fund. However, it shall engage in legally permissible lending operations considered by its Board of Directors to be financially solid and sound.
- h. The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions;
- i. Subscribers are required to settle their subscriptions in full upon submission of their application for subscriptions.
- j. The Fund may use various techniques to hedge investment risks. and;
- k. It does not change its investment objectives without the prior approval of a majority of its shareholders.

The Investment Policies refer to the following:

- a. Investment Objective – to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.
- b. Benchmark – 95% Bloomberg Barclays EM Asia USD Credit Philippine Index + 30% Morgan Stanley Capital International All Country World Index (MSCI ACWI) + 5% 30-day USD Deposit Rate.
- c. Asset Allocation Range – the Company allocates its funds available for investments among cash and other deposit substitute, fixed-income securities and equity securities based on certain proportion as approved by Management.

Other matters covered in the investment policy include the fees due to be paid to the Fund Manager with management, distribution and transfer agency fees each set at an annual rate of 1.50% 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 March 31, 2021 and same period last year, the Company is in compliance with the above requirements and minimum equity requirement of the SEC of P50,000,000.

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

As of reporting period March 31, 2021, the Company's investment in listed foreign equity securities are as follows:

Name of Issuing Entity and Association of Each Issue	Market Value
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	\$ 171,067
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	18,096
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG-WELLINGTON GLOBAL QUALITY GROWTH FUND	309,080
MORGAN STANLEY US ADVANTAGE FUND	365,848
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	474,609
SPDR MSCI ACWI UCITS ETF	152,882
JPMORGAN FUNDS-INCOME FUND	611,918
MFS FI II USD GL HIGH YIELD	304,589
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	378,938
MFS EQ II USD CONTINENTAL EUR	32,371
NEW CAPITAL WEALTHY NATIONS BOND FUND	361,968
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	727,366
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	209,031
INVESCO GLOBAL INVESTMENT GRADE CORPORATE BOND FUND	246,745
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	87,243
SCHRODER ISF CHINA OPPORTUNITIES	36,911
JPM FUNDS - CHINA FUND	142,758
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	361,382
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	35,431
WELLINGTON GLOBAL BOND FUND	475,826
NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	311,939
NEW CAPITAL US SMALL CAP GROWTH FUND	356,580
<b>GRAND TOTAL</b>	<b>\$ 6,487,088</b>

### 4. Significant accounting judgments made in classifying a particular financial instrument in the fair value hierarchy.

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

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

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

#### Critical Judgments in Applying Accounting Policies

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

#### Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their

performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

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

#### 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 at March 31, 2021 and December 31, 2020, 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. 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.

#### Functional currency

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

#### Puttable shares designated as equity instruments

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

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

- a. it entitles the holder to a pro rata share of the entity's net assets in the event of the entity's liquidation. The entity's net assets are those assets that remain after deducting all other claims on its assets;
- b. it is in the class of instruments that is subordinate to all other classes of instruments;
- c. all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;

- d. apart from the contractual obligation for the issuer to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity, and it is not a contract that will or may be settled in the entity's own equity instruments; and
- e. the total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognized net assets or the change in the fair value of the recognized and unrecognized net assets of the entity over the life of the instrument (excluding any effects of the instrument).

As at March 31, 2021 and December 31, 2020, the recognized amount of share capital representing puttable shares in the statements of financial position amounted to \$142,731 and \$140,801, respectively.

### **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, 2021 and December 31, 2020, 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, 2021 and December 31, 2020.



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

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

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

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

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

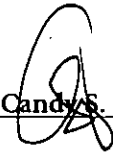
**SIGNATURES**

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

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

Principal Financial/Accounting Officer/Comptroller:

Signature and Title : **Treasurer**

  
**Candy S. Esteban**

Date : **May 17, 2021**

## SUN LIFE PROSPERITY DOLLAR WELLSRING FUND, INC.

Schedule of Financial Soundness Indicators and Financial Ratios

March 31, 2021 and December 31, 2020

	Formula	2021	2020
<i>Current/ Liquidity Ratios</i>			
a. Current ratio	Current Assets/Current Liabilities	<b>120.84:1</b>	117.86:1
b. Quick ratio	Quick Assets/Current Liabilities	<b>120.83:1</b>	117.86:1
c. Cash ratio	Cash/Current Liabilities	<b>3.8:1</b>	7.22:1
d. Days in receivable	Receivable/Revenue * No. of days	<b>N/A</b>	N/A
e. Working capital ratio	(Current Assets/Current Liabilities)/Current Assets	<b>0.99:1</b>	0.99:1
f. Net working capital to sales ratio	Working Capital / Total Revenue	<b>22.72:1</b>	58.27:1
g. Defensive Interval Ratio	360* (Quick Assets / Proj. Daily Operating Expense)	<b>63739.41:1</b>	19143.22:1
<i>Solvency Ratios</i>			
a. Long-term debt to equity ratio	Noncurrent Liabilities/Total Equity	<b>N/A</b>	N/A
b. Debt to equity ratio	Total Liabilities/Total Equity	<b>0.008:1</b>	0.009:1
c. Long term debt to total asset ratio	Noncurrent Liabilities/Total Assets	<b>N/A</b>	N/A
d. Total debt to asset ratio	Total Liabilities/Total Assets	<b>0.008:1</b>	0.008:1
Asset to equity ratio	Total Assets/Total Equity	<b>1.01:1</b>	1.01:1
Interest rate coverage ratio	Earning Before Income Tax/Interest Expense	<b>N/A</b>	N/A
<i>Profitability Ratio</i>			
a. Earnings before interest and taxes (EBIT) margin	EBIT/Revenue	<b>-57.66%</b>	451.73%
b. Earnings before interest, taxes and depreciation and amortization (EBITDA) margin	EBITDA/Revenue	<b>-57.66%</b>	451.73%
c. Pre-tax margin	EBIT/Revenue	<b>-57.66%</b>	451.73%
d. Effective tax rate	Income Tax/EBIT	<b>-0.05%</b>	0.05%
e. Post-tax margin	Net Income After Tax/Revenue	<b>-57.68%</b>	451.49%
f. Return on equity	Net Income After Tax/Average Common Equity	<b>-2.39%</b>	8.25%
g. Return on asset	NIAT/Average Total Assets	<b>-2.37%</b>	8.20%
Capital intensity ratio	Total Assets/Revenue	<b>22.91:1</b>	58.77:1
Fixed assets to total assets	Fixed assets/Total assets	<b>N/A</b>	N/A
Dividend payout ratio	Dividends paid/Net Income	<b>N/A</b>	0.23:1

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

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

As of March 31, 2021 and December 31, 2020

	2021			2020		
	Investment (Market Value)	Net Asset Value	% over NAV	Investment (Market Value)	Net Asset Value	% over NAV
<b>Treasury Notes (ISIN)</b>						
US912810SL35	-	-	-	34,455	7,694,133	0.45%
US912810SN90	-	-	-	37,728	7,694,133	0.49%
US912810SP49	-	-	-	139,078	7,694,133	1.81%
US91282CAV37	64,827	6,859,154	0.95%	69,541	7,694,133	0.90%
US912810SU34	249,681	6,859,154	3.64%	-	-	-
<b>Mutual Funds</b>						
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	171,067	6,859,154	2.49%	158,770	7,694,133	2.06%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	18,096	6,859,154	0.26%	18,039	7,694,133	0.23%
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG- WELLINGTON GLOBAL QUALITY GROWTH FUND	309,080	6,859,154	4.51%	549,162	7,694,133	7.14%
MORGAN STANLEY US ADVANTAGE FUND	365,848	6,859,154	5.33%	546,742	7,694,133	7.11%
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	474,609	6,859,154	6.92%	673,910	7,694,133	8.76%
SPDR MSCI ACWI UCITS ETF	152,882	6,859,154	2.23%	290,990	7,694,133	3.78%
JPMORGAN FUNDS-INCOME FUND	611,918	6,859,154	8.92%	390,014	7,694,133	5.07%
MFS FI II USD GL.HIGH YIELD	304,589	6,859,154	4.44%	327,976	7,694,133	4.26%
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	378,938	6,859,154	5.52%	495,880	7,694,133	6.44%
MFS EQ II USD CONTINENTAL EUR	32,371	6,859,154	0.47%	92,301	7,694,133	1.20%
NEW CAPITAL WEALTHY NATIONS BOND FUND	361,968	6,859,154	5.28%	278,182	7,694,133	3.62%
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	727,366	6,859,154	10.60%	1,027,730	7,694,133	13.36%
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	209,031	6,859,154	3.05%	436,527	7,694,133	5.67%
INVESCO GLOBAL INVESTMENT GRADE CORPORATE BOND FUND	246,745	6,859,154	3.60%	205,140	7,694,133	2.67%
PRINCIPAL GLOBAL INVESTORS FUNDS-GLOBAL PROPERTY SECURITIES FUND	-	-	-	59,213	7,694,133	0.77%
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	87,243	6,859,154	1.27%	83,659	7,694,133	1.09%
SCHRODER ISF CHINA OPPORTUNITIES	36,911	6,859,154	0.54%	35,704	7,694,133	0.46%
JPM FUNDS - CHINA FUND	142,758	6,859,154	2.08%	189,474	7,694,133	2.46%
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	361,382	6,859,154	5.27%	336,846	7,694,133	4.38%
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	35,431	6,859,154	0.52%	47,081	7,694,133	0.61%
WELLINGTON GLOBAL BOND FUND	475,826	6,859,154	6.94%	759,221	7,694,133	9.87%
NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	311,939	6,859,154	4.55%	-	-	-
NEW CAPITAL US SMALL CAP GROWTH FUND	356,580	6,859,154	5.20%	-	-	-

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

As of March 31, 2021 and December 31, 2020

	2021			2020		
	Total Investment	Outstanding Securities of an Investee Company	% over Investee	Total Investment	Outstanding Securities of an Investee Company	% over Investee
<b>Treasury Notes (ISIN)</b>						
US912810SL35	-	**	-	32,000	**	-
US912810SN90	-	**	-	42,000	**	-
US912810SP49	-	**	-	150,000	**	-
US91282CAV37	70,000	**	-	70,000	**	-
US912810SU34	280,000	**	-	-	-	-
<b>Mutual Funds</b>						
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	3,727	5,862,946,000	0.00%	3,406	5,853,611,000	0.00%
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	71	**	-	71	**	-
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG- WELLINGTON GLOBAL QUALITY GROWTH FUND	7,814	**	-	14,154	**	-
MORGAN STANLEY US ADVANTAGE FUND	2,105	**	-	2,925	**	-
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	9,178	1,625,586,000	0.00%	12,454	1,603,919,000	0.00%
SPDR MSCI ACWI UCITS ETF	860	3,059,599,000	0.00%	1,720	2,777,946,000	0.00%
JPMORGAN FUNDS-INCOME FUND	4,483	9,061,311,000	0.00%	2,903	8,088,951,000	0.00%
MFS FI II USD GL.HIGH YIELD	1,292	**	-	1,398	**	-
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	681	4,522,141,000	0.00%	936	4,265,977,000	0.00%
MFS EQ II USD CONTINENTAL EUR	1,809	**	-	5,247	**	-
NEW CAPITAL WEALTHY NATIONS BOND FUND	2,384	2,023,080,000	0.00%	1,775	2,288,997,000	0.00%
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	138,414	5,202,405,000	0.00%	185,494	4,904,024,000	0.00%
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	702	797,284,000	0.00%	1,542	761,517,000	0.00%
INVESCO GLOBAL INVESTMENT GRADE CORPORATE BOND FUND	18,724	2,346,660,000	0.00%	15,029	2,485,914,000	0.00%

PRINCIPAL GLOBAL INVESTORS FUNDS-GLOBAL PROPERTY SECURITIES FUND	-	-	-	1,895	602,396,000	0.00%
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	328	157,012,000	0.00%	328	152,686,000	0.00%
SCHRODER ISF CHINA OPPORTUNITIES	60	1,780,553,000	0.00%	60	1,801,009,000	0.00%
JPM FUNDS - CHINA FUND	1,643	7,576,903,000	0.00%	2,226	6,946,865,000	0.00%
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	18,400	4,428,896,000	0.00%	16,659	4,540,314,000	0.00%
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	2,034	9,895,217,000	0.00%	2,932	9,912,345,000	0.00%
WELLINGTON GLOBAL BOND FUND	42,081	1,819,096,000	0.00%	64,459	1,796,454,000	0.00%
NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	1,465	615,166,000	0.00%	-	-	-
NEW CAPITAL US SMALL CAP GROWTH FUND	1,518	214,992,000	0.00%	-	-	-

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

As of March 31, 2021 and December 31, 2020

	<b>2021</b>	<b>2020</b>
Total Liquid and Semi-Liquid Assets	6,915,726	7,759,972
TOTAL ASSETS	6,916,389	7,759,972
Total Investment in Liquid or Semi-Liquid Assets to Total Assets	99.99%	100.00%

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

As of March 31, 2021 and December 31, 2020

	<b>2021</b>	<b>2020</b>
Total Operating Expenses	39,060	145,931
Average Daily Net Worth	7,604,485	6,789,133
Total Operating Expenses to Average Daily Net Worth	0.51%	2.15%

**v. Total Assets to Total Borrowings**

As of March 31, 2021 and December 31, 2020

	<b>2021</b>	<b>2020</b>
Total Assets	6,916,389	7,759,972
Total Borrowings	57,235	65,839
Total Assets to Total Borrowings	12084.19%	11786.28%

SUN LIFE OF PROSPERITY DOLLAR WELLSRING 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, 2021			December 31, 2020	
	Number of Shares / Principal Amount of Bonds and Notes	Market Value	Aggregate Cost	Number of Shares / Principal Amount of Bonds and Notes	Amount Shown in Balance Sheet
Treasury Notes Issued by the Nat'l. Government	350,000	314,508		294,000.00	\$ 280,802
<b>Mutual Funds</b>					
BLACK ROCK GLOBAL FUNDS-ASIAN TIGER BOND FUND	3,727	\$ 171,067	\$ 157,139	3,406	\$ 158,770
MFS MERIDIAN FUNDS-EUROPEAN RESEARCH FUND	71	18,096	13,677	71	18,039
WELLINGTON MANAGEMENT FUNDS LUXEMBOURG-WELLINGTON GLOBAL QUALITY GROWTH FUND	7,814	309,080	198,775	14,154	549,162
MORGAN STANLEY US ADVANTAGE FUND	2,105	365,848	223,356	2,925	546,742
MORGAN STANLEY INVESTMENT FUNDS - GLOBAL BOND FUND	9,178	474,609	446,662	12,454	673,910
SPDR MSCI ACWI UCITS ETF	860	152,882	136,186	1,720	290,990
JPMORGAN FUNDS-INCOME FUND	4,483	611,918	574,503	2,903	390,014
MFS FI I1 USD GL HIGH YIELD	1,292	304,589	290,122	1,398	327,976
JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND	681	378,938	278,305	936	495,880
MFS EQ I1 USD CONTINENTAL EUR	1,809	32,371	23,572	5,247	92,301
NEW CAPITAL WEALTHY NATIONS BOND FUND	2,384	361,968	350,523	1,775	278,182
ISHARES CORE GLOBAL AGGREGATE BOND UCITS ETF	138,414	727,366	725,565	185,494	1,027,730
JPMORGAN FUNDS - GLOBAL RESEARCH ENHANCED INDEX EQUITY	702	209,031	171,572	1,542	436,527
INVESCO GLOBAL INVESTMENT GRADE CORPORATE BOND FUND	18,724	246,745	249,746	15,029	205,140
PRINCIPAL GLOBAL INVESTORS FUNDS-GLOBAL PROPERTY SECURITIES FUND	-	-	-	1,895	59,213
NOMURA FUNDS IRELAND - ASIA EX JAPAN HIGH CONVICTION FUND	328	87,243	61,946	328	83,659
SCHRODER ISF CHINA OPPORTUNITIES	60	36,911	27,001	60	35,704
JPM FUNDS - CHINA FUND	1,643	142,758	94,476	2,226	189,474
JPMORGAN FUNDS - JPM US AGGREGATE BOND FUND	18,400	361,382	355,987	16,659	336,846
INVESCO JAPANESE EQUITY VALUE DISCOVERY FUND	2,034	35,431	24,977	2,932	47,081
WELLINGTON GLOBAL BOND FUND	42,081	475,826	486,362	64,459	759,221
NEW CAPITAL GLOBAL EQUITY CONVICTION FUND	1,465	311,939	315,001	-	-
NEW CAPITAL US SMALL CAP GROWTH FUND	1,518	356,580	380,003	-	-
<b>GRAND TOTAL</b>	<b>609,774</b>	<b>\$ 6,487,088</b>	<b>\$ 5,585,457</b>	<b>631,612</b>	<b>\$ 7,283,361</b>



This document contains key information clients of Sun Life Prosperity Dollar Wellspring 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>	May 5, 2016	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	USD 6,858,563.52	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Minimum Holding Period</b>	180 days
<b>Net Asset Value Per Share</b>	1.1747	<b>Minimum Subscription</b>	USD 1,000	<b>Early Redemption Fee</b>	1.00%
<b>Benchmark</b>	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Deposit Rate	<b>Minimum Subsequent Management and Distribution Fee</b>	USD 200	<b>Redemption Settlement</b>	T+4 business days
			1.50%		

## What does the Fund invest in?

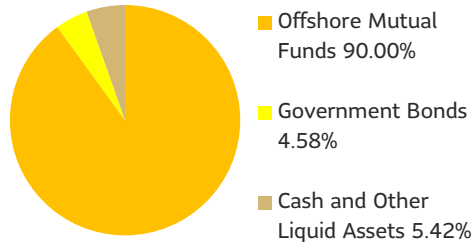
The **Sun Life Prosperity Dollar Wellspring Fund** aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **balanced risk profile** and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

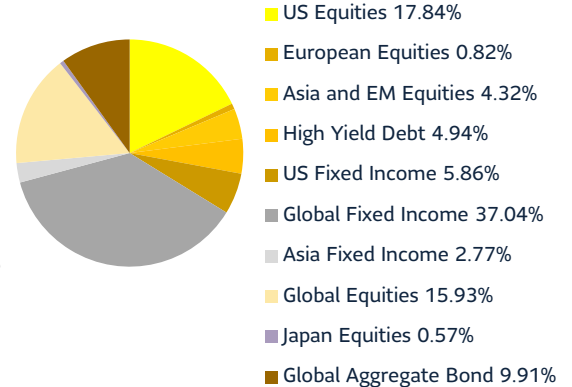
### Top Offshore Mutual Fund Holdings

1. BlackRock - iShares Core Global Aggregate Bond UCITS ETF, 10.61%
2. J.P. Morgan Income Fund, 8.92%
3. Wellington - Global Bond Fund, 6.94%
4. Morgan Stanley - Global Bond, 6.92%
5. J.P. Morgan - US Select Equity, 5.53%

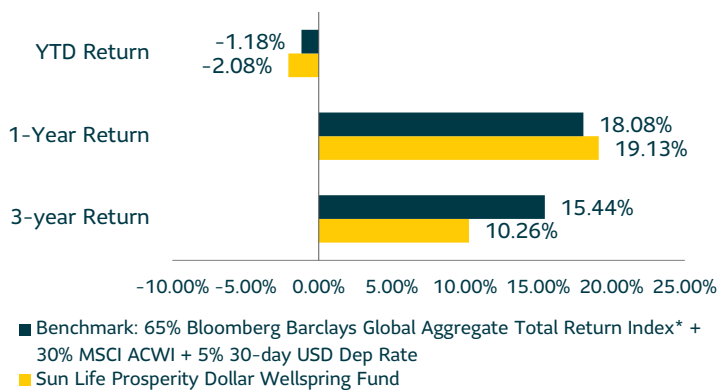
### Investment Mix



### Geographical Allocation



## 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.

**\*Benchmark Effectivity Date:**

JP Morgan Global Aggregate Bond Index: May 5, 2016 to December 31, 2017  
 Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

**Disclaimer:** The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review

- Global assets' performance in March was fairly reminiscent of the last month as global equities continued to rise by 2.72%, while global fixed income declined -1.92%. US equities led major regions at +3.76%, followed by Europe at +3.66%, and Asia Pacific at -2.54%.
- The US 10-year yield trended higher, rising by 34 basis points to close the month at 1.74%.
- US President Biden signed into law the American Rescue Plan, or the \$1.9 trillion stimulus package to support the country's recovery from recession, which included \$1,400 direct payments to individuals.
- At the annual National People's Congress, Premier Li Keqiang revived China's specific GDP target of over 6% for 2021, or back to "pre-pandemic vibrancy".
- The Fund has lost 2.08% YTD, underperforming the benchmark (-1.18%) by 90 bps, due to exposure to US equities.

**Disclaimer:** Mutual Fund performance depends on various market and economic conditions. Past performance is not a guarantee or an indication of future results. Thus, returns are not guaranteed and may differ from the original investment. Information contained in this Fund Fact Sheet do not constitute investment advice. For more information on our mutual funds, please consult a Sun Life Financial Advisor.



This document contains key information clients of Sun Life Prosperity Dollar Wellspring 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>	May 5, 2016	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	USD 7,818,247.48	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Minimum Holding Period</b>	180 days
<b>Net Asset Value Per Share</b>	1.2077	<b>Minimum Subscription</b>	USD 1,000	<b>Early Redemption Fee</b>	1.00%
<b>Benchmark</b>	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Deposit Rate	<b>Minimum Subsequent Management and Distribution Fee</b>	USD 200	<b>Redemption Settlement</b>	T+4 business days
			1.50%		

## What does the Fund invest in?

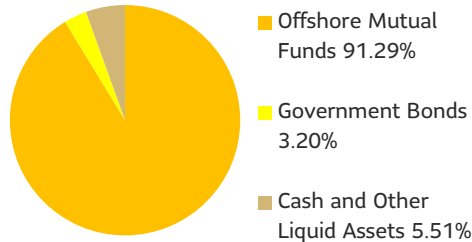
The **Sun Life Prosperity Dollar Wellspring Fund** aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **balanced risk profile** and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

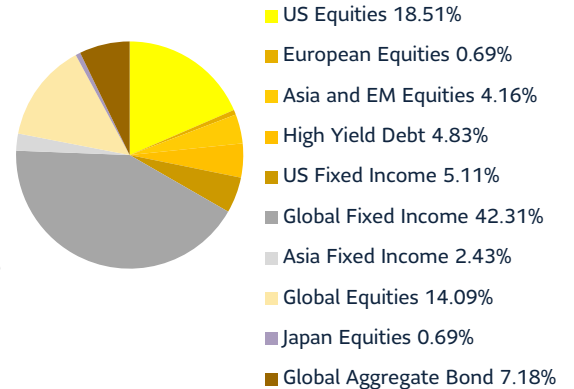
### Top Offshore Mutual Fund Holdings

1. BlackRock - iShares Core Global Aggregate Bond UCITS ETF, 12.75%
2. Wellington - Global Bond Fund, 9.52%
3. Morgan Stanley - Global Bond, 8.45%
4. J.P. Morgan Income Fund, 6.55%
5. Morgan Stanley - US Advantage, 5.99%

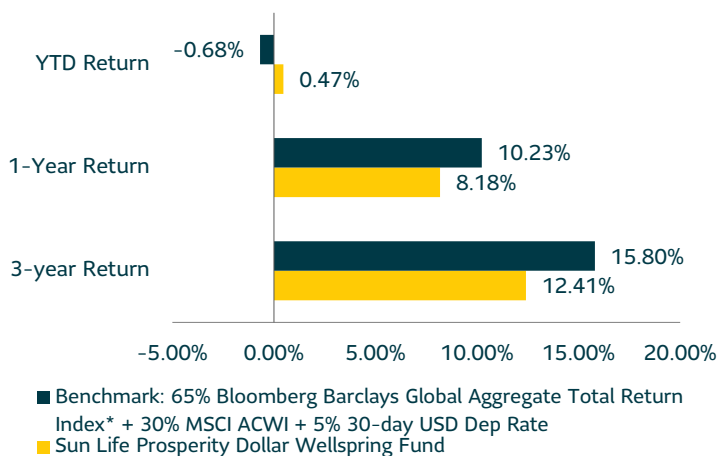
### Investment Mix



### Geographical Allocation



## How has the Fund performed?



#### \*Benchmark Effectivity Date:

JP Morgan Global Aggregate Bond Index: May 5, 2016 to December 31, 2017  
 Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

**Disclaimer:** The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. 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 posted a gain of 2.35% in February, in contrast to the 1.72% drop for global fixed income. US equities led major regions at +2.76%, followed by Europe at +2.08%, and Asia Pacific at +1.43%.
- The US 10-year yield touched an intra-month high of 1.51%, before closing February at 1.40%, 34 basis points higher month-on-month.
- The US Food and Drug Administration (FDA) cleared Johnson & Johnson's COVID-19 vaccine as the third approved treatment. The company has made plans to release 3 million to 4 million doses initially.
- US headline inflation increased 1.4% year-on-year in January, continuing the rise from 2H 2020. Fuel prices accounted for a large part of the jump, gaining 7.4%.
- The Fund has returned 0.47% YTD, outperforming the benchmark (-0.68%) by 115 bps, due to asset allocation and exposure to Asia ex Japan equities.

**Disclaimer:** Mutual Fund performance depends on various market and economic conditions. Past performance is not a guarantee or an indication of future results. Thus, returns are not guaranteed and may differ from the original investment. Information contained in this Fund Fact Sheet do not constitute investment advice. For more information on our mutual funds, please consult a Sun Life Financial Advisor.





This document contains key information clients of Sun Life Prosperity Dollar Wellspring 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>	May 5, 2016	<b>Fund Structure</b>	Mutual Fund (Shares)	<b>Transfer Agency Fee</b>	0.15%
<b>Fund Size</b>	USD 7,803,718.87	<b>Fund Classification</b>	Multi-Asset Fund-of-Funds	<b>Minimum Holding Period</b>	180 days
<b>Net Asset Value Per Share</b>	1.2041	<b>Minimum Subscription</b>	USD 1,000	<b>Early Redemption Fee</b>	1.00%
<b>Benchmark</b>	65% Bloomberg Barclays Global Aggregate Total Return Index Value Unhedged USD + 30% MSCI ACWI + 5% 30-day USD Deposit Rate	<b>Minimum Subsequent Management and Distribution Fee</b>	USD 200	<b>Redemption Settlement</b>	T+4 business days
			1.50%		

## What does the Fund invest in?

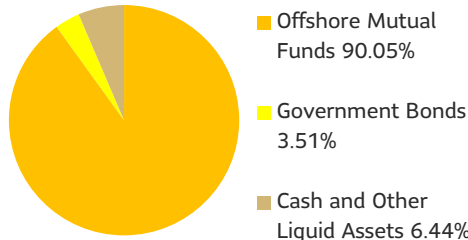
The **Sun Life Prosperity Dollar Wellspring Fund** aims to provide moderate and consistent returns through diversified investments in fixed income securities such as sovereign debt, corporate debt and other non-traditional investments and in equity or equity-linked securities issued by corporations globally, or through diversified investment companies invested in such securities.

The Fund is suitable for investors with a **balanced risk profile** and medium to long-term investment horizon. This is for investors who want higher yields compared to traditional fixed income securities (e.g. savings accounts, time deposits, bonds) but a lower amount of risk relative to equities.

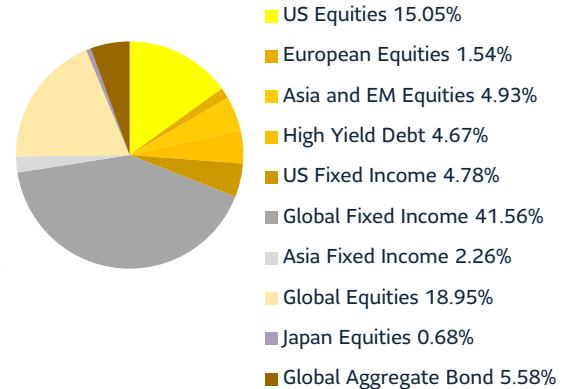
### Top Offshore Mutual Fund Holdings

1. BlackRock - iShares Core Global Aggregate Bond UCITS ETF, 13.01%
2. Wellington - Global Bond Fund, 9.67%
3. Morgan Stanley - Global Bond, 8.58%
4. J.P. Morgan - US Select Equity, 5.71%
5. J.P. Morgan - Global Research Enhanced Index, 5.64%

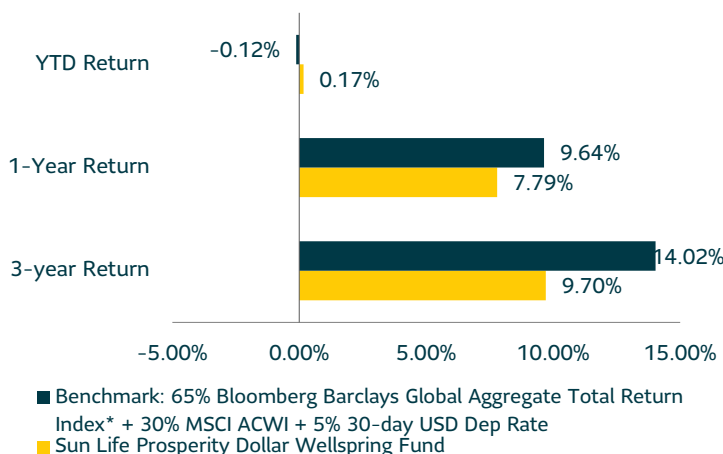
### Investment Mix



### Geographical Allocation



## How has the Fund performed?



#### \*Benchmark Effectivity Date:

JP Morgan Global Aggregate Bond Index: May 5, 2016 to December 31, 2017  
 Bloomberg Barclays Global Aggregate Total Return Index: January 1, 2018 to present

**Disclaimer:** The underlying funds of the Sun Life Prosperity Dollar Wellspring Fund are valued using their respective NAVPS as of previous day due to the time difference between the Philippines and the domicile countries of these funds. Similarly, data for the MSCI ACWI is as of the previous day to provide investors an accurate comparison of fund performance.

## Market Review

- Global assets took a breather in the first month of the year after strong gains for the past 2 months. Global equities are down by 0.44%, while global fixed income gave up 0.88%. Only Asia Pacific equities posted gains of 3.99%, as US equities lost 0.93%, and European equities declined by 1.48%.
- The US 10-year yield rose by 15 basis points and breached 1% to close January at 1.07%.
- US 4th quarter GDP rose by 4.0% quarter-on-quarter, while full year GDP contracted by 3.5%, still a remarkable feat considering the swift COVID-related recession.
- Meanwhile, in China, the output gap caused by the pandemic has been closed, as it stands as the only major economy that expanded in 2020 with a full year GDP growth of 2.3%.
- The Fund has gained 0.17%, closing above the benchmark (-0.12%), primarily due to its overweight in equities, and exposure to China and Asia ex-Japan equities.

**Disclaimer:** Mutual Fund performance depends on various market and economic conditions. Past performance is not a guarantee or an indication of future results. Thus, returns are not guaranteed and may differ from the original investment. Information contained in this Fund Fact Sheet do not constitute investment advice. For more information on our mutual funds, please consult a Sun Life Financial Advisor.

## **sunlife\_sec\_communications**

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**From:** CGFD Account <cgfd@sec.gov.ph>  
**Sent:** Friday, May 7, 2021 5:59 PM  
**To:** sunlife\_sec\_communications  
**Cc:** Merobhe T Esmele; Dynnple Rose F Apolinario; Shamira Angela P Juano; Candy Esteban; Sherwin S Sampang; MSRD COVID19  
**Subject:** Fwd: MSRD\_Sun Life Prosperity Dollar Wellspring Fund, Inc.\_SEC Form 17-L\_07May2021  
**Attachments:** Sun Life Prosperity Dollar Wellspring Fund, Inc.\_SEC Form 17-L\_07May2021.pdf

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

Dear Mr. Linsangan,

This is to acknowledge receipt of your email. Please be advised also that submission of **Fund Reports** should be with **CGFD**.

Please be informed that submission of the following reports will be via email to ICTD Account: [ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph) pursuant to MC 3, 2021:

- Annual Report (SEC Form 17-A)
- Quarterly Report (SEC Form 17-Q)
- Current Report (SEC Form 17-C)
- SEC Form 17-L
- Monthly Sales and Redemption Report of Investment Companies
- Beneficial Ownership Reports (SEC Form 18-A or 18-AS and SEC Form 23-A/23-B)
- Corporate Governance Institutional Training Providers (CG-ITPs) Advance Report of CG Trainings (without request for exemption from speaker accreditation)
- Completion Reports of CG-ITPs
- Integrated Annual Corporate Governance Report (I-ACGR)
- Material Related Party Transactions (RPT) Policy
- Manual on Corporate Governance for Public Companies and Registered Issuers
- Manual on Corporate Governance for Publicly-Listed Companies (PLCs)
- Advisement Report on Material RPTs
- Compliance Officer's Certificate (CG Form-2020)
- Sworn Certification in compliance with SEC Memorandum Circular No. 18, Series of 2019[1] [2] [3] [4]
- SEC Form 1 – Existing Online Lending Platform
- SEC Form 2 – Prospective Online Lending Platform
- AMLA Compliance Form
- Revised Manual on Corporate Governance for financing companies, if applicable
- SEC Form MCG-2009 Compliance Officer's Certification on the extent of compliance with the Manual on Corporate Governance for financing companies
- Corporate Secretary's Certification on Attendance in Board Meetings for financing companies

For efficient and proper distribution of ICTD's forward facility, companies are advised to properly tag/submit the following mentioned reports to CGFD. Please include the word "**CGFD**" in the email subject line. Thus, the subject email format will be *CGFD\_Complete Name of the Company\_Type of Document\_Date Submitted*.

We encourage you to regularly monitor the SEC Website ([www.sec.gov.ph](http://www.sec.gov.ph)) and/or the SEC's Facebook page for updates and announcements.

Thank you.

**CORPORATE GOVERNANCE AND FINANCE DEPARTMENT (CGFD)**  
**Securities and Exchange Commission**

**Confidentiality Notice:**

**IMPORTANT:** *This email message, including attachments, if any, contains confidential information which may be privileged or otherwise protected from disclosure and intended solely for the use of the individual or entity to whom it is addressed and others authorized to receive it. If you are not the intended recipient of this message you must not disclose or use the information contained in it. If you have received this email in error, please notify us immediately by return email and delete the document and any copies thereof. Notice is hereby given to you that any use, downloading, copying, review, re-transmission, dissemination, distribution, reproduction or any action taken in reliance upon this email, without the consent of the original sender is prohibited by law, including R.A. No. 4200 (The Anti-Wire Tapping Law), R.A. No. 8792 (The E-Commerce Law), A.M. No. 01-7-01-SC (Rules on Electronic Evidence), or R.A. No. 10173 (The Data Privacy Act of 2012).*

*The Commission is neither liable for the proper and complete transmission of the information nor for any delay in its receipt. The Commission accepts no liability for any damage caused by this email or its attachments due to viruses, interference, interception, corruption or unauthorized access.*

----- Forwarded message -----

From: **sunlife\_sec\_communications** <[sunlife\\_sec\\_communications@sunlife.com](mailto:sunlife_sec_communications@sunlife.com)>

Date: Fri, May 7, 2021 at 2:34 PM

Subject: MSRD\_Sun Life Prosperity Dollar Wellspring Fund, Inc.\_SEC Form 17-L\_07May2021

To: [msrd\\_covid19@sec.gov.ph](mailto:msrd_covid19@sec.gov.ph) <[msrd\\_covid19@sec.gov.ph](mailto:msrd_covid19@sec.gov.ph)>, CGFD Account <[cgfd@sec.gov.ph](mailto:cgfd@sec.gov.ph)>, ICTD Submission <[ictdsubmission@sec.gov.ph](mailto:ictdsubmission@sec.gov.ph)>

Cc: Merobhe T Esmele <[Merobhe.Esmele@sunlife.com](mailto:Merobhe.Esmele@sunlife.com)>, Dynnple Rose F Apolinario <[DynnpleRose.Apolinario@sunlife.com](mailto:DynnpleRose.Apolinario@sunlife.com)>, Shamira Angela P Juano <[ShamiraAngela.Juano@sunlife.com](mailto:ShamiraAngela.Juano@sunlife.com)>, Candy Esteban <[Candy.Esteban@sunlife.com](mailto:Candy.Esteban@sunlife.com)>, Sherwin S Sampang <[Sherwin.Sampang@sunlife.com](mailto:Sherwin.Sampang@sunlife.com)>

To: MARKETS AND SECURITIES REGULATION DEPARTMENT (MSRD)

Good day.

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

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

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

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

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

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

Best regards,

**Nestor S. Linsangan, Jr.**

Financial Accounting and Reporting Specialist, Finance Department|Sun Life Financial

[nestor.linsangan@sunlife.com](mailto:nestor.linsangan@sunlife.com)

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



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**Sun Life**  
Asset Management

### Certification

I, Candy S. Esteban is a duly authorized representative of Sun Life Prosperity Dollar Wellspring Fund, Inc. with SEC registration number CS201517778 with principal office at Sun Life Center, 5th Ave. Cor. Rizal Drive Bonifacio Global City, Taguig City, on oath state:

- 1) That on behalf of Sun Life Prosperity Dollar Wellspring Fund, Inc., I have caused this SEC Form 17-L to be prepared;
- 2) That I read and understood its contents which are true and correct of my own personal knowledge and/or based on true records;
- 3) That the company Sun Life Prosperity Dollar Wellspring Fund, Inc. will comply with the requirements set forth in SEC Notice dated 24 June 2020 for a complete and official submission of reports and/or documents through electronic mail; and
- 4) That I am fully aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received only upon payment of a filing fee.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of May, 2021 at Taguig City.

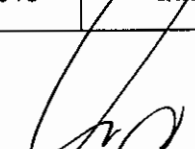
  
Candy S. Esteban  
Treasurer

MAY 06 2021

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, affiant exhibiting his/her government issued identification card:

Name	Government ID No.	Date of Issue	Place of Issue
Candy S. Esteban	Driver's License N02-95-277891	05/08/2018	Quezon City

Doc. No. 421;  
Page No. 77;  
Book No. N;  
Series of 2021.

  
ATTY. JOVINO R. ANGEL  
NOTARY PUBLIC  
UNTIL DEC. 31, 2022  
PTR. NO. 7361920 01/04/2021 PASAY CITY  
IBP NO. 141069 01/04/2021 PASAY CITY  
COMMISSION NO. 19-37-PASAY CITY  
MCLE NO. V-0024151-10-25-2016  
ROLL NO. 28761

# COVER SHEET

**C S 201517778**

S.E.C. Registration Number

**S U N L I F E P R O S P E R I T Y D O L L A R**  
**W E L L S P R I N G 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 )

**Merobhe T. Esmele**  
 Contact Person

**8555-8888**  
 Company Telephone Number

**1 2**      **3 1**  
 Month      Day

Fiscal Year

**17-L**

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

**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, 2021

Date of this report May 06, 2021

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 CS201517778 2. BIR Tax Identification No. : 009-123-698-000

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

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

5. Industry Classification Code:  (SEC Use Only)

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

.....  
Address of principal office

.....  
Postal Code

7. (02) - 8555 8888  
Issuer's telephone number, including area code

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

9. Are any of the issuer's securities listed on a Stock Exchange?

Yes [ ] No [ X ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
.....



### Part I - Representations

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

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

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

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

### Part II - Narrative

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

**The Company's SEC Form 17-Q for the quarter ending March 31, 2021 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

**Candy S. Esteban  
Treasurer**

**Sun Life Centre 5th Avenue cor Rizal Drive Bonifacio Global City, Taguig City 1634  
8555-8888**

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

Yes [ ✓ ] No [ ] Reports: .....

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

Yes [ ] No [ ✓ ]

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

**SIGNATURE**

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

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

Registrant's full name as contained in charter



\_\_\_\_\_  
**CANDY S. ESTEBAN**  
Treasurer

Date: **May 06, 2021**