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15

YEARS



Sun Life Centre
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Bonifacio Global City, 1634 Taguig City

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sunlifefunds.com

SUN LIFE PROSPERITY FUNDS

ANNUAL REPORT 2014

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THE CHAIRMAN'S MESSAGE

Dear Valued Stockholders,

It was not so long ago that we were dubbed the sick man of Asia. The Philippines had endured witnessing our neighbors grow while we lagged behind. We were heavily in debt to other nations with successive governments running budget deficits. But little improvement was seen. Filipinos were forced to earn wages outside the Philippines. Then began the exodus for those who would eventually be called OFWs.

Fast forward to 2014 and it is a completely different picture.

2014 was the year the Philippines established itself as the rising economy of the region. Underpinned by a strong macroeconomic backdrop – the fastest growth in South East Asia, low interest rates, modest inflation and a stable currency – the Philippines has caught the attention of the international community.

Not only were foreigners coming to visit our beautiful destinations, they were also excited to invest in the Philippines. In a year wrought with global uncertainty and foreign investors growing more discerning of emerging economies, the Philippines easily came out as the top choice. Foreign direct investments have never been higher and the equities market saw tremendous foreign inflows in 2014. All the pieces came together and one can say that this is an economic miracle for the Philippines.

However, this was not a miracle that happened overnight.

Economic reforms took time to become effective. Our OFWs have persevered for more than a decade to send money home. The Filipino people have spent generations cultivating the various talents that made us competitive in the global workforce. And sometimes, it was sheer fortitude and resilience that took us through the challenges we faced, both natural and man-made.

Some good things can happen quickly but all great things take time.

This is what the Philippine story is about. And in the same way, our Sun Life Prosperity Funds strive continuously to achieve excellent results and reward our investors through the generations.

Thank you for the trust and confidence you have given us!

Sincerely,


RIZALINA G. MANTARING
Chairman of the Board
Sun Life Prosperity Funds

“

The Sun Life Prosperity Funds is a program of integrity. As a shareholder, I am financially stable and therefore confident with my future. What is great is that the funds are diversified and tailor-fitted according to you and your family's needs. Moreover, financial gratitude from the funds is achieved on an individual basis.

”

ROSARIO SANTOS

Sun Life Prosperity Balanced, Equity and Dollar Abundance Fund Investor since 2007



THE PRESIDENT'S MESSAGE

Dear Valued Stockholders,

2014 proved to be another profitable year for our Sun Life Prosperity Funds and their investors.

Our funds invested in local equities were able to benefit from the stellar performance of the Philippine stock market. Last year, The Philippine Equity Fund returned 17.77% while the Balanced Fund had gains of 11.75%. Not to be outdone, the Dynamic Fund was up by 6.91% in just six months after its launch.

As for our funds invested in local fixed-income securities such as bonds, these were able to perform effectively as the market adjusted to higher policy rates. The Bond Fund and the GS Fund had returns of 1.14% and 0.95%, respectively in 2014.

The dollar funds were resilient as global trends shifted amid various central bank actions. The Dollar Abundance gained 6.01% while the Dollar Advantage returned 0.22% last year.

Though the funds have performed well over the previous year, the long-run returns of the funds are ever more impressive. Over the first 15 years of the Sun Life Prosperity Funds, the Bond Fund has grown by 169.54%, the Balanced Fund by 314.83% and the Equity Fund by 364.41%.

To put it into perspective, an investment of Php 1 million in the Equity Fund in April 5, 2000 would have grown to more than Php 4.6 million by the end of 2014. I am proud that there are investors who have been with the Sun Life Prosperity Funds from the beginning and have participated in this remarkable growth.

Every investor dreams that his hard-earned savings will grow steadily. But the reality is that investing will always entail risk. Certainly, there will be times when an investor may think that replicating good fund performance may not be possible. More often than not he would think a miracle would be needed to achieve this when in fact, the success of the Sun Life Prosperity Funds and their investors is rooted on a principle that is far from miraculous.

It is the simple combination of SLAMCI's prudent investment management and the investor exercising his long-term perspective. It is not a get-rich-quick scheme, but rather a partnership that hinges on wealth-building for the investor over his lifetime.

As our investors continue to put their trust in the Sun Life Prosperity Funds, I am confident that our funds will deliver sustainable and consistent results in the next 15 years and beyond.

Sincerely,


MA. KARENINA M. CASAS
President
Sun Life Prosperity Funds



THE PRESIDENT'S MESSAGE

Dear Valued Stockholders,

From our humble beginnings in the year 2000, we have grown to be the biggest non-bank affiliated asset management company in the Philippines. We had then only Php 150 million in assets under management (AUM) with three pioneer funds under our belt – the Bond Fund, the Equity Fund and the Balanced Fund.

In 2014, our AUM grew to nearly Php 47 billion with over 60,000 investors. We now have eight Sun Life Prosperity Funds. Last July, we launched our first tactical allocation fund, the Dynamic Fund which generated Php 2.8 billion in sales in the first month alone.

After the successful launch of the Dynamic Fund, SLAMCI is determined to continue to provide its investors with more Sun Life Prosperity Funds that will suit their various financial needs. More funds will be launched in 2015 and onwards.

Last year, we also widened distribution channels to better reach and serve our investors. Our team of dedicated financial advisors is now 2,449 strong. We have forged partnerships with 10 established bank partners. SLAMCI is now present in more than 50 cities across Luzon, Visayas and Mindanao.

We have made numerous initiatives geared towards enriching the customer experience we provide to our investors through the years. In 2014, our Investor Services Department created dedicated service delivery teams for specified customer segments which have resulted to resolving inquiries in a timely and efficient manner. We take pride in the way we serve our customers and have the privilege of being the country with the highest net promoter score across all regions that Sun Life Financial operates in.

As we continue to strengthen ties with our investors, SLAMCI is also going digital. We have begun our foray into the online space by establishing a partnership with the country's leading online brokerage and making significant improvements to our own SLAMCI Online. Our digital presence will expand further in the immediate future.

We are extremely proud of what we have achieved in all these 15 years, heightened by your continuing support and vote of confidence. That is why we remain committed to providing the best products and services to our customers.

Thank you for the privilege of helping you manage your funds over the past 15 years and here's looking forward to more years of partnership with you!

Sincerely,


VALERIE N. PAMA
President
Sun Life Asset Management Company, Inc.



HISTORY OF SUN LIFE ASSET MANAGEMENT COMPANY, INC.

The Sun Life Asset Management Company, Inc. (SLAMCI) started with the Balanced, Equity and Bond Funds and 458 members in its agency force.

2000

458

The Sun Life of Canada Prosperity Balanced Fund ranked No. 1 among all the balanced funds in the market and in gross sales and net sales. The Sun Life Prosperity Dollar Advantage Fund was launched.

2002



2004



SLAMCI launched the first and only mutual fund with no sales load: Sun Life Prosperity Money Market Fund. SLAMCI first entered into distribution agreements with two foreign banks: Standard Chartered Bank (SCB) and Hong Kong and Shanghai Banking Corporation (HSBC).

2001



SLAMCI reached P1 Billion in assets under management (AUM) by the end of December 2001. SLAMCI offered the special privilege of fund switching to investors.

SLAMCI launched its 6th and 7th Fund offering to the public, the Sun Life Prosperity Dollar Abundance Fund and the Sun Life Prosperity GS Fund. SLAMCI expanded its bank distributors to include local banks.

2005

VI & VII

2006



SLAMCI became one of the fastest growing asset management companies with P9 Billion in AUM.

2007



In the face of an economic crisis, the Balanced Fund persevered and became the largest mutual fund in the country with an AUM of P10.2 Billion by December 2007.

SLAMCI launched the Fun with Prosperity Funds promo for investors, the first of its kind in the market.

2009



SLAMCI started bringing its Kapihan sessions to Pampanga, Iloilo, Cebu, Davao and Cagayan De Oro.

2012



2011



SLAMCI became the second-largest asset management company in the mutual fund industry with P21 Billion in AUM.

2008



SLAMCI was recognized by the Investment Company Association of the Philippines (ICAP) for having the most diversified family of mutual funds.

2014



SLAMCI launched the only tactical asset allocation fund in market, the Sun Life Prosperity Dynamic, which generated almost P3 Billion in sales in less than a month.

2013



SLAMCI reached a new high when its agency force included more than 2,000 members – more than quadruple the original size. It continues to be largest mutual fund agency force in the country.

I. EQUITIES

A. Financial Markets Review

The PSEi ended the year on a positive note, as it reached a new high of 7,360.75 points before closing the year at 7,230.57 points, up 23% for the year. It ranked among the best performing markets in ASEAN, despite national and global concerns. The economy grew by 6.1 percent in 2014, behind the government's target of 6.5 percent- 7.5 percent for the year. The significant drop in government spending was the reason for the lower than expected GDP. Inflation was trending higher during the first few months but came off in the latter part of the year after crude oil prices plunged by 46% and settled at USD53/barrel. Given this, inflation settled at 4.1% in 2014, within the 3% to 5% target range of the Bangko Sentral ng Pilipinas (BSP). During the year, the BSP hiked policy rates by 50bps to 4%. Inflation is expected to continue to trend downward which provides the BSP some leeway to hold rates steady in the near term.

Foreign investors were net buyers of US\$1.25bn worth of local stocks, compared to US\$678mn inflow in 2013. Top performing sectors include consumer, property, and utilities while conglomerates and telcos lagged.

As for the global financial markets, 2014 was largely highlighted by uneven economic recovery globally, with investors constantly analyzing Central Bank policies and statements.

U.S. equities were among the strongest globally, as the S&P 500 (SPX) gained 11.3%, while the Dow Industrial Average (INDU) rose 7.5% as the investors digested fairly positive economic numbers throughout the year. The unemployment rate was 5.6% in December, bringing the 12-month average to 6.2%, while nonfarm payrolls averaged 241k a month, both pieces of data improvements from previous years. The Federal Reserve (Fed) concluded its monthly asset purchase program under the new leadership of Janet Yellen, who succeeded Ben Bernanke.

We saw markets such as Europe, China and Japan introduce various forms of monetary stimulus in attempts to jumpstart growth in their respective economies, invariably brought about by weak demand and deflationary concerns. Notably, the European Central Bank (ECB) introduced negative deposit rates, while lending rates were dropped even closer to zero.

Volatility was significant in the commodities markets, with Brent Oil prices down 48% as producers declined to reduce output amidst softer global growth forecasts. Gold prices were also notably weaker, ending 1.7% lower YoY, as investors rebalanced towards U.S. financial assets.

B. Outlook

Peso: We are generally bullish on the local equities for the whole of 2015, as the domestic economy remains strong while the recovery of US and Europe as well as the continued growth in China are expected this year. Expectations of an increase in interest rates by mid-year could open some liquidation windows and create some weakness over the short-term. But overall, the local market could again be a global outperformer given its strong economic targets, lower inflation, still relatively low interest rates, healthy and strong peso and gross international reserves. Growth this year is likewise expected to be boosted by pre-election and government infrastructure spending. The local market should be able to buck external noise as it builds a base at the 7,400 to 7,600 level. We will continue to focus on consumer, power and banking names.

Recently, the IMF upgraded its GDP outlook for this year to 6.6% (from 6.3%), citing lower oil prices and increased government spending as catalysts. Focus is expected to be on consumption aided by a likely lower inflation print this year driven by lower energy related costs. Meanwhile, stocks debuting and companies doing overnight placements should likewise fuel trading activity to the market. We also believe that the accelerated pace of equity placements could even add momentum to the market's ascent to higher levels as the additional free float usually translates to additional weights to global equity benchmark indices which are tracked by foreign funds. A possible headwind though is an acceleration of foreign funds outflow by Foreign Institutional Investors who might view valuations already hefty at around these levels. Nevertheless, analysts are forecasting the index to range from 7,600 to 8,000 points by the end of 2015 or a growth of between 5.1% to 10.6%.

Dollar: Central Banks will remain major catalysts during the coming year, as the Federal Reserve mulls its much anticipated first rate hike sometime in the second or third quarter. The ECB on the other is expected to announce details of a scaled up quantitative easing program which will include the purchase of government bonds. Investors will be closely watching developments out of the Eurozone, given the ongoing geopolitical tensions with Russia, one of its largest trade partners.

We feel that the current set of structural reform taking place in both developed and emerging markets may increase near-term volatility, although these changes lay the groundwork for better long-term prospects moving forward.



MICHAEL GERARD D. ENRIQUEZ
Chief Investment Officer

II. FIXED INCOME

A. Financial Markets Review

Global financial markets performed unexpectedly well in 2014. Expectations of the end of the US monetary stimulus and the start of a higher interest rate environment made investors very cautious of markets during the 1st quarter. This cautiousness was more pronounced when world oil prices breached US\$ 100 per barrel by the middle of the year.

The sentiment turned positive during the 2nd half of the year. With the orderly conclusion of the US monetary stimulus, both US equity and bond markets started to rally. The sharp decrease in world oil prices added fuel to the rising markets. This enabled the S&P500 to end the year with double digit returns and the 10 year US Treasury yield to fall below 2%. This positive sentiment spilled over to the Asian markets with China, Indonesia and the Philippines rounding up the top 3 best performing equity markets.

The Philippine equity and bond markets in particular, enjoyed a steadier rally throughout the year as strong foreign and domestic flows propelled the equity market close to its all-time high and drove bond yields near all time lows.

B. Outlook

Peso: Unlike last year when BSP was expected to hike rates, this year is a bit murky. BSP may opt to maintain rates if inflation continues to be subdued and growth is moderate. Inflation will largely be dependent on whether oil prices will stabilize for the year. We expect oil prices to be as volatile as last year as market forces are still finding their balance after last year's shake up. We expect the growth in 2015 to be stronger than last year on the back of the 2016 elections and improved spending processes. Additionally, local fundamentals remain supportive of the market.

However, rate hikes are not yet out of the picture for this year. BSP may hike rates again later this year if the US economic growth continues its strong momentum despite low oil prices and weak global recovery. A faster than expected pace will cause rates to go up.

Dollar: We may finally see the Fed start its rate hike late this year as the US continues its strong economic rebound and inflation hit its target of 2%. There are risks to this view as other regions are experiencing deflationary problems and weak growth. Oil will also play a crucial part this year and we expect it to be as volatile as last year as market forces are still finding their balance after last year's shake up. Similar to last year, demand will outweigh bond supply as various central banks embark on their monetary stimulus program this year.

Even though the Philippines boasts of strong fundamentals, we expect ROP to continue tracking UST this year, which has the possibility of seeing an uptick from last year's levels especially if we see strong growth and a bounce back from oil prices.

“

SLAMCI has always had an excellent agency force and a very good track record of historical returns. But I think the main driving force behind the company's success is its integrity and the people behind it.

”

WINSTON DUY

Mutual Funds Advisor (Durian Branch) since 2000

“

With the financial literacy campaigns and continuous build up of a strong base of financial advisers and alternative channels, SLAMCI has established itself its strategic position to become a trusted brand in the field of asset management. The sustainable growth of SLAMCI for the past 15 years can be attributed to its responsiveness to the needs of the Philippine market for trusted investment advice and reliable fund management services.

”

ARLYN TAN

Mutual Funds Advisor (Green Fir Branch) since 2004

“

Divine providence, dovetailing with both SLAMCI's loyal investors and representatives, contribute vastly to SLAMCI's current status. The organization's persistence, balanced with its embrace of change and resiliency, truly make it The Fortress. What's more, SLAMCI's message hasn't wavered throughout the years since its inception: Financial freedom for Filipinos.

”

ERIC TAN

Mutual Funds Advisor since 2001

SUN LIFE PROSPERITY FUNDS

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

SUN LIFE OF CANADA PROSPERITY PHILIPPINE EQUITY FUND, INC.

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

SUN LIFE PROSPERITY G5 FUND, INC.

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Sun Life of Canada Prosperity Bond Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life of Canada Prosperity Bond Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life of Canada Prosperity Bond Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P54,377,890	P17,713,176
Accrued interest receivable	64,325,557	69,470,118
Dividends receivable	-	-
Financial assets at fair value through profit or loss	5,568,082,632	5,972,644,020
Loans receivable	2,500,000	-
Due from related parties	-	-
Held-to-maturity investments	-	-
Due from brokers	-	-
Other current assets	13,080,857	7,153,676
Total Current Assets	P5,702,366,936	P6,066,980,990
Non-current Assets		
Loans receivable	-	421,400,000
Other non-current assets	240,000,000	-
Total Non-current Assets	P240,000,000	P421,400,000
Total Assets	P5,942,366,936	P6,488,380,990
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	P39,711,400	P1,196,276
Due to brokers	-	-
Income tax payable	-	-
Payable to fund manager	10,051,264	10,666,212
Total Current Liabilities	P49,762,664	P11,862,488

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P37,303,995	P3,730,399,542
Deposit for future stock subscription	-	-
Additional paid in capital	6,928,363,681	3,207,251,986
Retained earnings	3,046,056,851	2,984,372,632
Treasury shares	(4,119,120,255)	(3,445,505,658)
Total Equity	P5,892,604,272	P6,476,518,502
Total Liabilities and Equity	P5,942,366,936	P6,488,380,990
Net Asset Value Per Share	P2.701	P2.670

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P329,177,874	P356,776,811	P346,541,548
Net realized gains on investments	66,133,280	3,952,689	21,273,673
Dividend income			
Reversal of accrued expenses	-	-	-
Other income	661,515	21,440	-
Total	395,972,669	360,750,940	367,815,221
Operating Expenses			
Investment management fees	113,217,125	113,641,790	97,945,771
Net realized loss on investments	-	-	-
Commission	-	-	-
Clearing fees	-	-	-
Taxes and licenses	989,177	5,459,497	3,924,260
Professional fees	270,234	256,256	249,267
Custodian fees	441,233	489,428	453,360
Directors fees	225,000	224,000	190,250
Printing and supplies	1,043,421	1,036,227	56,477
Other expenses	363,740	400,519	176,377
Total	116,549,930	121,507,717	102,995,762
Profit Before Net Unrealized Gains	279,422,739	239,243,223	264,819,459
Net Unrealized Gains (Loss) on Investments	(155,591,625)	(228,885,247)	84,058,442
Profit Before Tax	123,831,114	10,357,976	348,877,901
Income Tax Expense	62,146,895	65,413,587	62,384,568
Profit After Tax	P61,684,219	(P55,055,611)	P286,493,333
Basic Earnings per Share	(P0.03)	(P0.02)	P0.13
Diluted Earnings per Share	(P0.03)	(P0.02)	P0.13

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	P3,730,399,542	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Total transactions with owners	-	-
Balance, December 31, 2012	3,730,399,542	-
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Additional capital infusion	-	-
Total transactions with owners	-	-
Balance, December 31, 2013	3,730,399,542	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Reduction in par value	(3,693,095,547)	-
Total transactions with owners	(3,693,095,547)	-
Balance, December 31, 2014	P37,303,995	-

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P1,900,130,005	P2,752,934,910	(P3,617,937,140)	P4,765,527,317
-	286,493,333	-	286,493,333
-	-	(2,235,238,673)	(2,235,238,673)
476,682,353	-	1,963,943,259	2,440,625,612
476,682,353	-	(271,295,414)	205,386,939
2,376,812,358	3,039,428,243	(3,889,232,554)	5,257,407,589
-	(55,055,611)	-	(55,055,611)
-	-	(2,838,344,209)	(2,838,344,209)
556,491,752	-	3,282,071,105	3,838,562,857
273,947,876	-	-	P273,947,876
830,439,628	-	443,726,896	1,274,166,524
3,207,251,986	2,984,372,632	(3,445,505,658)	6,476,518,502
-	61,684,219	-	P61,684,219
-	-	(929,410,728)	(929,410,728)
28,016,148	-	255,796,131	283,812,279
3,693,095,547	-	-	-
3,721,111,695	-	(673,614,597)	(645,598,449)
P6,928,363,681	P3,046,056,851	(P4,119,120,255)	P5,892,604,277

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P123,831,114	P10,357,976	P348,877,901
Adjustments for:			
Net unrealized gains (losses) on investments	155,591,625	228,885,247	(84,058,442)
Net realized gains (losses) on investments	(66,133,280)	(3,952,689)	(21,273,673)
Interest income	(329,177,874)	(356,776,811)	(346,541,548)
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(115,888,415)	(121,486,277)	(102,995,762)
Decrease(Increase) in:			
Due from brokers	-	-	-
Due from related parties	-	-	-
Other current assets	(5,927,181)	(54,903,962)	(1,106,972)
Other non-current assets	-	-	1,396,932
Increase in:			
Accrued expenses	38,515,124	(61,474)	(149,343)
Due to brokers	-	-	-
Payable to fund manager	(614,948)	(1,925,717)	4,464,126
Cash used in operations	(83,915,420)	(178,377,430)	(98,391,019)
Acquisitions of financial assets at fair value through profit or loss	(94,663,229,802)	(92,520,868,274)	(55,723,770,334)
Proceeds from disposal of financial assets at fair value through profit or loss	94,978,332,845	90,799,912,474	55,343,997,302
Dividends received	-	-	-
Interest received	334,322,435	405,299,094	338,392,311
Income taxes paid	(62,146,895)	(65,413,587)	(62,365,047)
Net cash used in operating activities	P503,363,163	(P1,559,447,724)	(P202,136,787)

SUN LIFE OF CANADA PROSPERITY BOND FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	P178,900,000	P254,050,000	P4,550,000
Net cash (used in) generated from investing activities	178,900,000	254,050,000	4,550,000
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	-	-	-
Proceeds from reissuance of treasury shares	283,812,279	3,838,562,857	2,440,625,612
Payments on acquisition of treasury shares	(929,410,728)	(2,838,344,209)	(2,235,238,673)
Payments on redemption of deposits for future stock subscriptions	-	-	-
Additional capital infusion	-	273,947,876	-
Payments on issuance of deposits for future stock subscriptions	-	-	-
Net cash generated from financing activities	(645,598,449)	1,274,166,524	205,386,939
Net (Decrease) Increase in Cash in Banks	36,664,714	(31,231,200)	7,800,152
Cash in Banks, Beginning	17,713,176	48,944,376	41,144,224
Cash in Banks, End	P54,377,890	P17,713,176	P48,944,376

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Sun Life of Canada Prosperity Balanced Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life of Canada Prosperity Balanced Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

INDEPENDENT AUDITORS' RESPONSIBILITY

STATEMENTS OF FINANCIAL POSITION

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life of Canada Prosperity Balanced Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P197,346,326	P157,095,117
Accrued interest receivable	38,298,111	37,887,929
Dividends receivable	2,070,718	6,584,474
Financial assets at fair value through profit or loss	16,683,318,087	15,088,692,337
Loans receivable	-	-
Due from related parties	-	826,500
Held-to-maturity investments	-	-
Due from brokers	76,627,788	985,857,825
Other current assets	-	44,791
Total Current Assets	P16,997,661,030	P16,276,988,973
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	P16,997,661,030	P16,276,988,973
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	82,646,657	3,678,703
Due to brokers	181,654,394	-
Income tax payable	31	-
Payable to fund manager	38,072,495	41,086,507
Total Current Liabilities	P302,373,577	P44,765,210

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P48,379,352	P 39,997,078
Deposit for future stock subscription	-	2,959,291,685
Additional paid in capital	12,402,771,900	9,420,259,970
Retained earnings	5,684,330,854	3,812,675,030
Treasury shares	(1,440,194,653)	-
Total Equity	16,695,287,453	16,232,223,763
Total Liabilities and Equity	P16,997,661,030	P16,276,988,973
Net Asset Value Per Share	P3.7605	P3.3652

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P193,893,440	P186,292,645	P173,814,161
Net realized gains on investments	767,596,379	1,216,177,438	1,249,006,880
Dividend income	263,477,667	223,824,999	145,227,930
Reversal of accrued expenses	-	-	-
Other income	1,565	73,201	156,025
Total	1,224,969,051	1,626,368,283	1,568,204,996
Operating Expenses			
Investment management fees	405,445,564	382,375,448	244,661,903
Net realized loss on investments	-	-	-
Commission	86,678,898	49,037,481	24,946,900
Clearing fees	14,408,002	6,816,902	3,356,907
Taxes and licenses	1,359,312	6,875,639	369,073
Professional fees	194,522	383,544	172,390
Custodian fees	3,162,872	2,891,777	1,902,065
Directors fees	366,666	365,000	308,750
Printing and supplies	3,160,175	3,569,568	56,477
Other expenses	1,316,483	-	-
Total	516,092,494	452,315,359	275,774,465
Profit Before Net Unrealized Gains	708,876,557	1,174,052,924	1,292,430,531
Net Unrealized Gains (Loss) on Investments	1,293,010,386	(1,947,369,499)	1,048,324,981
Profit Before Tax	2,001,886,943	(773,316,575)	2,340,755,512
Income Tax Expense	130,231,119	109,637,985	75,986,279
Profit After Tax	P1,871,655,824	(P882,954,560)	P2,264,769,233
Basic Earnings per Share	P0.44	P0.23	P0.69
Diluted Earnings per Share	P0.42	P0.23	P0.69

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	P 33,119,653	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Issuance of shares during the year	1,861,704	-
Total transactions with owners	1,861,704	-
Balance, December 31, 2012	34,981,357	-
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Deposits for future stock subscriptions received	-	3,318,705,153
Redemption of deposits for future stock subscriptions	-	(359,413,468)
Issuance of shares during the year	5,015,721	-
Additional Capital Infusion	-	-
Total transactions with owners	5,015,721	2,959,291,685
Balance, December 31, 2012	39,997,078	2,959,291,685
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipts of deposits for future stock subscriptions	-	1,487,691,164.00
Redemption of deposits for future stock subscriptions	-	(3,966,469,335)
Issuance of shares during the year	8,382,274	(480,513,514)
Total transactions with owners	8,382,274	(2,959,291,685)
Balance, December 31, 2014	P48,379,352	-

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P6,546,907,250	P2,430,860,357	(P 340,558,053)	P8,670,329,207
-	2,264,769,233	-	2,264,769,233
-	-	(2,530,190,717)	(2,530,190,717)
141,267,246	-	2,870,748,770	3,012,016,016
519,834,664	-	-	521,696,368
661,101,910	-	340,558,053	1,003,521,667
7,208,009,160	4,695,629,590	-	11,938,620,107
-	(882,954,560)	-	(882,954,560)
-	-	-	3,318,705,153
(13,366,850)	-	-	(372,780,318)
2,103,217,338	-	-	2,108,233,059
122,400,322.00	-	-	122,400,322
2,212,250,810	-	-	5,176,558,216
9,420,259,970	3,812,675,030	-	16,232,223,763
-	1,871,655,824	-	1,871,655,824
-	-	(2,881,884,099)	(2,881,884,099)
60,392,452	-	1,441,689,446	1,502,081,898
-	-	-	1,487,691,164
2,449,988,238	-	-	(1,516,481,097)
472,131,240	-	-	-
2,982,511,930	-	(1,440,194,653)	(1,408,592,134)
P12,402,771,900	P5,684,330,854	(P1,440,194,653)	P16,695,287,453

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P2,001,886,943	(P773,316,575)	P2,340,755,512
Adjustments for:			
Net unrealized gains (losses) on investments	(1,293,010,386)	1,947,369,499	(1,048,324,981)
Net realized gains (losses) on investments	(767,596,379)	(1,216,177,438)	(1,249,006,880)
Interest income	(193,893,440)	(186,292,645)	(173,814,161)
Dividend income	(263,477,667)	(223,824,999)	(145,227,930)
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(516,090,929)	(452,242,158)	(275,618,440)
Decrease(Increase) in:			
Due from brokers	909,230,037	(614,702,034)	(363,324,361)
Due from related parties	826,500	(826,500)	-
Other current assets	44,791	450,853	(135,405)
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	78,967,954	(88,747,474)	61,998,153
Due to brokers	181,654,394	-	-
Payable to fund manager	(3,014,012.00)	12,205,430	4,073,424
Cash used in operations	651,618,735	(1,143,861,883)	(573,006,629)
Acquisitions of financial assets at fair value through profit or loss	(345,480,782,624)	(369,018,562,748)	(116,891,799,679)
Proceeds from disposal of financial assets at fair value through profit or loss	345,946,763,670	364,786,047,215	116,171,932,547
Dividends received	267,991,423	217,995,785	148,572,060
Interest received	193,483,258	184,711,934	176,848,785
Income taxes paid	(130,231,119)	(109,637,985)	(75,986,279)
Net cash used in operating activities	P1,448,843,343	(P5,083,307,682)	(P1,043,439,195)

SUN LIFE OF CANADA PROSPERITY BALANCED FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	P50,000,000
Net cash (used in) generated from investing activities	-	-	50,000,000
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	-	P2,108,233,059	P521,696,368
Proceeds from reissuance of treasury shares	P1,502,081,898	-	3,012,016,016
Payments on acquisition of treasury shares	(2,881,884,099)	-	(2,530,190,717)
Payments on redemption of deposits for future stock subscriptions	(1,516,481,097)	(372,780,318)	-
Additional capital infusion	-	122,400,322	-
Payments on issuance of deposits for future stock subscriptions	1,487,691,164	3,318,705,153	-
Net cash generated from financing activities	(1,408,592,134)	5,176,558,216	1,003,521,667
Net (Decrease) Increase in Cash in Banks	40,251,209	93,250,534	10,082,472
Cash in Banks, Beginning	157,095,117	63,844,583	53,762,111
Cash in Banks, End	P197,346,326	P157,095,117	P63,844,583

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Sun Life of Canada Prosperity Philippine Equity Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life of Canada Philippine Equity Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life of Canada Prosperity Philippine Equity Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P138,177,416	P151,594,044
Accrued interest receivable	268,079	205,797
Dividends receivable	2,942,945	9,587,940
Financial assets at fair value through profit or loss	16,283,429,053	14,026,785,049
Loans receivable	-	-
Due from related parties	-	1,630,375
Held-to-maturity investments	-	-
Due from brokers	94,595,018	508,227,188
Other current assets	-	-
Total Current Assets	P16,519,412,511	P14,698,030,393
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	P16,519,412,511	P14,698,030,393
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	73,265,018	3,499,627
Due to brokers	91,666,313	6,289,122
Income tax payable	14,516	-
Payable to fund manager	36,426,416	42,200,959
Total Current Liabilities	P201,372,263	P51,989,708

SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P42,351,121	P30,000,000
Deposit for future stock subscription	-	4,559,032,843
Additional paid in capital	12,743,529,889	8,125,224,984
Retained earnings	4,498,930,100	1,931,860,545
Treasury shares	(966,770,863)	(77,687)
Total Equity	P16,318,040,248	P14,646,040,685
Total Liabilities and Equity	P16,519,412,511	P14,698,030,393
Net Asset Value Per Share	P4.0878	P3.4709

SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P9,933,812	P10,484,092	P12,506,432
Net realized gains on investments	735,439,053	693,067,989	998,221,812
Dividend income	348,260,403	266,320,270	110,411,781
Reversal of accrued expenses	-	-	-
Other income	725,792	-	-
Total	1,094,359,060	969,872,351	1,121,140,025
Operating Expenses			
Investment management fees	376,236,501	331,552,342	141,862,592
Net realized loss on investments	-	-	-
Commission	101,071,843	70,457,380	24,946,898
Clearing fees	16,965,929	9,665,025	3,356,907
Taxes and licenses	2,852,761	14,178,016	207,271
Professional fees	117,645	307,832	100,173
Custodian fees	3,551,156	3,153,502	1,364,141
Directors fees	371,667	310,000	310,000
Printing and supplies	1,857,555	116,159	65,286
Other expenses	978,401	3,214,016	155,315
Total	504,003,458	432,954,272	172,368,583
Profit Before Net Unrealized Gains	590,355,602	536,918,079	948,771,442
Net Unrealized Gains (Loss) on Investments	2,085,372,215	(1,647,704,573)	788,120,254
Profit Before Tax	2,675,727,817	(1,110,786,494)	1,736,891,696
Income Tax Expense	108,658,262	93,272,368	43,670,376
Profit After Tax	P2,567,069,555	(P1,204,058,862)	P1,693,221,320
Basic Earnings per Share	P0.72	(P1.00)	P1.41
Diluted Earnings per Share	P0.63	(P1.00)	P0.90

SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	P 12,000,000	P1,496,280,230
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipts of deposits for future stock subscriptions	-	2,471,112,635
Total transactions with owners	-	2,471,112,635
Balance, December 31, 2012	12,000,000.00	3,967,392,865
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipts of deposits for future stock subscriptions	-	17,915,207,775.00
Redemption of deposits for future stock subscriptions	-	(10,656,097,798)
Issuance of shares during the year	18,000,000	(6,667,469,999)
Total transactions with owners	18,000,000	591,639,978
Balance, December 31, 2013	30,000,000	4,559,032,843
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipts of deposits for future stock subscriptions	-	4,774,481,296
Redemption of deposits for future stock subscriptions	-	(17,468,265)
Issuance of shares during the year	12,351,121	(9,316,045,874)
Total transactions with owners	12,351,121	(4,559,032,843)
Balance, December 31, 2014	P42,351,121	-

SUN LIFE OF CANADA PROSPERITY PHIL. EQUITY FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P2,096,529,094	P1,442,698,087	(P2,543,232)	P5,044,964,179
-	1,693,221,320	-	1,693,221,320
-	-	(5,391,354,515)	(5,391,354,515)
(958,042,721)	-	5,393,853,992	4,435,811,271
-	-	-	2,471,112,635
(958,042,721)	-	2,499,477	1,515,569,391
1,138,486,373	3,135,919,407	(43,755)	8,253,754,890
-	(1,204,058,862)	-	(1,204,058,862)
-	-	(9,400,430,990)	(9,400,430,990)
321,103	-	9,400,397,058	9,400,718,161
-	-	-	17,915,207,775
336,947,509	-	-	(10,319,150,289)
6,649,469,999	-	-	-
6,986,738,611	-	(33,932)	7,596,344,657
8,125,224,984	1,931,860,545	(77,687)	14,646,040,685
-	2,567,069,555	-	2,567,069,555
-	-	(5,499,600,440)	(5,499,600,440)
108,714,000	-	4,532,907,264	4,641,621,264
-	-	-	4,774,481,296
(4,794,103,847)	-	-	(4,811,572,112)
9,303,694,752	-	-	-
4,618,304,905	-	(966,693,176)	(895,069,992)
P12,743,529,889	P4,498,930,100	(P966,770,863)	P16,318,040,248

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P2,675,727,817	(P1,110,786,494)	P1,736,891,696
Adjustments for:			
Net unrealized gains (losses) on investments	(2,085,372,215)	1,647,704,573	(788,120,254)
Net realized gains (losses) on investments	(735,439,053)	(693,067,989)	(998,221,812)
Interest income	(9,933,812)	(10,484,092)	(12,506,432)
Dividend income	(348,260,403)	(266,320,270)	(110,411,781)
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(503,277,666)	(432,954,272)	(172,368,583)
Decrease(Increase) in:			
Due from brokers	413,632,170	(302,854,962)	(195,907,592)
Due from related parties	1,630,375	(1,630,375)	-
Other current assets	-	-	-
Other non-current assets	-	-	261,783
Increase in:			
Accrued expenses	69,765,391	1,484,820	941,399
Due to brokers	85,377,191	(49,002,054)	33,850,341
Payable to fund manager	(5,774,543)	22,212,393	9,971,590
Cash used in operations	61,352,918	(762,744,450)	(323,251,062)
Acquisitions of financial assets at fair value through profit or loss	(228,961,466,205)	(261,803,645,496)	(85,807,375,401)
Proceeds from disposal of financial assets at fair value through profit or loss	229,525,633,469	254,769,301,139	84,667,919,042
Dividends received	354,905,398	257,713,438	113,513,256
Interest received	9,871,530	10,364,067	12,543,686
Income taxes paid	(108,643,746)	(93,272,368)	(43,486,241)
Net cash used in operating activities	P881,653,364	(P7,622,283,670)	(P1,380,136,720)

STATEMENTS OF CASH FLOWS

Cash Flows from Investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	-	-	-
Cash Flows from Financing Activities	2014	2013	2012
Proceeds from issuance of share capital	-	-	-
Proceeds from reissuance of treasury shares	P4,641,621,264	P9,400,397,058	P4,435,811,271
Payments on acquisition of treasury shares	(5,499,600,440)	(9,400,109,887)	(5,391,354,515)
Payments on redemption of deposits for future stock subscriptions	(4,811,572,112)	(10,319,150,289)	-
Additional capital infusion	-	-	-
Payments on issuance of deposits for future stock subscriptions	4,774,481,296	17,915,207,775	2,471,112,635
Net cash generated from financing activities	(895,069,992)	7,596,344,657	1,515,569,391
Net (Decrease) Increase in Cash in Banks	(13,416,628)	(25,939,013)	135,432,671
Cash in Banks, Beginning	151,594,044	177,533,057	42,100,386
Cash in Banks, End	P 138,177,416	P 151,594,044	P 177,533,057



Sun Life Asset Management



Sun Life Asset Management



01.

02.

03.

04.

05.

06.

07.

08.

Sun Life Prosperity
Bond Fund

Sun Life Prosperity
Balanced Fund

Sun Life Prosperity
Philippine Equity
Fund

Sun Life Prosperity
Money Market
Fund

Sun Life Prosperity
GS Fund

Sun Life Prosperity
Dynamic Fund

Sun Life Prosperity
Dollar Advantage
Fund

Sun Life Prosperity
Dollar Abundance
Fund

Steady Step to Growth

Best of Both Worlds

*Aggressive Stance to
Wealth*

Short-Term Alternative

Prudence that Pay

Seize the Opportunities

Access to World Markets

Stable Growth in Dollars

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Sun Life Prosperity Money Market Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life Prosperity Money Market Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life Prosperity Money Market Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P13,522,080	P26,599,399
Accrued interest receivable	740,073	11,137
Dividends receivable	-	-
Financial assets at fair value through profit or loss	143,900,000	221,700,000
Loans receivable	-	-
Due from related parties	-	45,000
Held-to-maturity investments	83,786,523	-
Due from brokers	-	-
Other current assets	11,105	-
Total Current Assets	P241,959,781	P248,355,536
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	P241,959,781	P248,355,536
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	8,687,565	84,213
Due to brokers	-	-
Income tax payable	1,890	-
Payable to fund manager	689,584	215,786
Total Current Liabilities	P9,379,039	P299,999

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P3,999,844	P2,209,459
Deposit for future stock subscription	-	-
Additional paid in capital	439,488,441	239,873,512
Retained earnings	6,775,240	6,728,306
Treasury shares	(217,682,783)	(755,740)
Total Equity	P232,580,742	P248,055,537
Total Liabilities and Equity	P241,959,781	P248,355,536
Net Asset Value Per Share	P1.1252	P1.1261

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P4,390,635	P2,964,327	P9,719,417
Net realized gains on investments	-	-	-
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Other income	94,493	559,303	-
Total	4,485,128	3,523,630	9,719,417
Operating Expenses			
Investment management fees	1,641,458	3,442,688	5,341,831
Net realized loss on investments	-	-	-
Commission	-	-	-
Clearing fees	-	-	-
Taxes and licenses	49,952	69,275	349,826
Professional fees	87,360	83,866	75,712
Custodian fees	14,195	600	4,907
Directors fees	224,999	185,000	190,250
Printing and supplies	731,198	151,138	81,677
Other expenses	121,452	83,986	-
Total	2,870,614	4,016,553	6,044,203
Profit Before Net Unrealized Gains	1,614,514	(492,923)	3,675,214
Net Unrealized Gains (Loss) on Investments	-	-	-
Profit Before Tax	1,614,514	(492,923)	3,675,214
Income Tax Expense	1,567,580	591,331	2,071,138
Profit for the Year	P46,934	(P1,084,254)	P1,604,076
Basic Earnings per Share	P0.0002	(P0.011)	P0.016
Diluted Earnings per Share	P0.0001	(P0.011)	P0.004

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	P1,000,000	P389,707,799
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Redemption of deposits for future stock subscriptions	-	(209,056,869)
Total transactions with owners	-	(209,056,869)
Balance, December 31, 2012	1,000,000	180,650,930
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipt of deposit for future stock subscriptions	-	1,762,613,685.00
Redemption of deposit for future stock subscription	-	(1,659,167,820.00)
Transfer from DFFS to subscribed capital	1,209,459	(284,096,795.00)
Total transactions with owners	1,209,459	(180,650,930)
Balance, December 31, 2013	2,209,459	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Receipt of deposits for future stock subscriptions	-	727,509,972
Redemption of deposits for future stock subscriptions	-	(75,275,725)
Issuance of shares during the year	1,790,385	(652,234,247)
Total transactions with owners	1,790,385	-
Balance, December 31, 2014	P 3,999,844	-

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P126,766,775	P6,208,484	(P8,122)	P523,674,936
-	1,604,076	-	1,604,076
-	-	(1,668,333,300)	(1,668,333,300)
(22,836,632)	-	1,668,126,394	1,645,289,762
-	-	-	(209,056,869)
(22,836,632)	-	(206,906)	(232,100,407)
103,930,143	7,812,560	(215,028)	293,178,605
-	(1,084,254)	-	(1,084,254)
-	-	(1,797,454,855.00)	(1,797,454,855.00)
(156,450,240.00)	-	1,796,914,143.00	1,640,463,903.00
-	-	-	1,762,613,685.00
9,506,273.00	-	-	(1,649,661,547.00)
282,887,336.00	-	-	-
135,943,369	-	(540,712)	(44,038,814)
239,873,512	6,728,306	(755,740)	248,055,537
-	46,934	-	46,934
-	-	(742,872,868)	(742,872,868)
(63,692,931)	-	525,945,825	462,252,894
-	-	-	727,509,972
(387,136,002)	-	-	(462,411,727)
650,443,862	-	-	-
199,614,929	-	(216,927,043)	(15,521,729)
P439,488,441	P6,775,240	(P217,682,783)	P232,580,742

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P1,614,514	(P492,923)	P3,675,214
Adjustments for:			
Net unrealized gains (losses) on investments	-	-	-
Net realized gains (losses) on investments	-	-	-
Interest income	(4,390,635)	(2,964,327)	(9,719,417)
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(2,776,121)	(3,457,250)	(6,044,203)
Decrease(Increase) in:			
Due from brokers	-	-	-
Due from related parties	45,000	(45,000)	-
Other current assets	-	-	-
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	8,603,352	(570,142)	426,951
Due to brokers	-	-	-
Payable to fund manager	473,798	(82,047)	(489,155)
Cash used in operations	6,346,029	(4,154,439)	(6,106,407)
Acquisitions of financial assets at fair value through profit or loss	(36,105,710,000)	(44,245,430,400)	(43,199,420,000)
Proceeds from disposal of financial assets at fair value through profit or loss	36,189,617,651	44,306,750,400	43,270,550,000
Dividends received			
Interest received	207,687	2,992,960	13,174,736
Income taxes paid	(1,565,690)	(581,927)	(2,070,440)
Net cash used in operating activities	P88,895,677	P59,576,594	P76,127,889

SUN LIFE PROSPERITY MONEY MARKET FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	(P86,451,267)	-	P142,490,000
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	(86,451,267)	-	142,490,000
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	-	-	-
Proceeds from reissuance of treasury shares	462,252,894	1,640,463,903	-
Payments on acquisition of treasury shares	(742,872,868)	(1,797,454,855)	(1,668,333,300)
Payments on redemption of deposits for future stock subscriptions	(462,411,727)	(1,649,661,547)	(209,056,869)
Additional capital infusion	-	-	-
Payments on issuance of deposits for future stock subscriptions	727,509,972	1,762,613,685	1,645,289,762
Net cash generated from financing activities	(15,521,729)	(44,038,814)	(232,100,407)
Net (Decrease) Increase in Cash in Banks	(13,077,319)	15,537,780	(13,482,518)
Cash in Banks, Beginning	26,599,399	11,061,619	24,544,137
Cash in Banks, End	P 13,522,080	P 26,599,399	P 11,061,619

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Sun Life Prosperity GS Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life Prosperity GS Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life Prosperity GS Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P9,651,971	P10,756,107
Accrued interest receivable	5,370,005	6,144,825
Dividends receivable	-	-
Financial assets at fair value through profit or loss	498,912,357	589,860,298
Loans receivable	-	-
Due from related parties	-	-
Held-to-maturity investments	-	-
Due from brokers	-	-
Other current assets	-	-
Total Current Assets	P513,934,333	P606,761,230
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	P513,934,333	P606,761,230
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	1,175,675	209,150
Due to brokers	-	-
Income tax payable	3,835	-
Payable to fund manager	881,704	1,022,222
Total Current Liabilities	P2,061,214	P1,231,372

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P4,031,453	P4,031,453
Deposit for future stock subscription	-	-
Additional paid in capital	492,209,841	496,418,715
Retained earnings	116,193,778	111,743,157
Treasury shares	(100,561,953)	(6,663,467)
Total Equity	P511,873,119	P605,529,858
Total Liabilities and Equity	P513,934,333	P606,761,230
Net Asset Value Per Share	P1.5330	P1.5185

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P29,191,330	P34,409,115	P45,403,775
Net realized gains on investments	11,335,582	1,258,200	16,564,243
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Other income	191,749	-	-
Total	40,718,661	35,667,315	61,968,018
Operating Expenses			
Investment management fees	10,144,463	11,055,220	12,961,507
Net realized loss on investments	-	-	-
Commission	-	-	-
Clearing fees	-	-	-
Taxes and licenses	87,274	1,858,316	36,299
Professional fees	93,184	216,653	71,052
Custodian fees	37,365	36,721	49,712
Directors fees	231,668	229,000	191,501
Printing and supplies	473,084	180,238	104,357
Other expenses	174,878	157,182	-
Total	11,241,916	13,733,330	13,414,428
Profit Before Net Unrealized Gains	29,476,745	21,933,985	48,553,590
Net Unrealized Gains (Loss) on Investments	(19,185,392)	(30,924,465)	3,732,140
Profit Before Tax	10,291,353	(8,990,480)	52,285,730
Income Tax Expense	5,840,732	6,881,009	9,089,200
Profit for the Year	P4,450,621	(P15,871,489)	P43,196,530
Basic Earnings per Share	P0.013	(P0.079)	P0.216
Diluted Earnings per Share	P0.013	(P0.079)	P0.089

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	P2,000,000	P364,994,543
Profit and other comprehensive income for the year	-	-
Transactions with owners		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Redemption of deposits for future stock subscription	-	(8,414,473)
Total transactions with owners	-	(8,414,473)
Balance, December 31, 2012	2,000,000	356,580,070
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Receipts of deposits for future stock subscription	-	651,430,224
Redemption of deposits for future stock subscription	-	(714,284,486)
Issuance of shares during the year	2,031,453	(293,725,808)
Additional capital infusion	-	-
Total Transactions with owners	2,031,453.00	(356,580,070.00)
Balance, December 31, 2013	4,031,453.00	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Total transactions with owners	-	-
Balance, December 31, 2014	P 4,031,453	-

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P233,599,255	P84,418,116	(P218,040)	P684,793,874
-	43,196,530	-	43,196,530
(66,295,628)	-	507,950,783	441,655,155
-	-	(507,891,531)	(507,891,531)
-	-	-	(8,414,473)
(66,295,628)	-	59,252	(74,650,849)
167,303,627	127,614,646	(158,788)	653,339,555
-	(15,871,489)	-	(15,871,489)
27,513,900	-	707,172,220	734,686,120
-	-	(713,676,899)	(713,676,899)
-	-	-	651,430,224
(21,010,890)	-	-	(735,295,376)
291,694,355	-	-	-
30,917,723	-	-	30,917,723
329,115,088.00	-	(6,504,679.00)	(31,938,208.00)
496,418,715.00	111,743,157.00	(6,663,467.00)	605,529,858.00
-	4,450,621.00	-	4,450,621.00
(4,208,874.00)	-	72,792,943.00	68,584,069.00
-	-	(166,691,429.00)	(166,691,429.00)
(4,208,874)	-	(93,898,486)	(98,107,360)
P492,209,841	P116,193,778	(P100,561,953)	P511,873,119

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P10,291,353	(P8,990,480)	P52,285,730
Adjustments for:			
Net unrealized gains (losses) on investments	19,185,392	30,924,465	(3,732,140)
Net realized gains (losses) on investments	(11,335,582)	(1,258,200)	(16,564,243)
Interest income	(29,191,330)	(34,409,115)	(45,403,775)
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(11,050,167)	(13,733,330)	(13,414,428)
Decrease(Increase) in:			
Due from brokers	-	-	-
Due from related parties	-	-	-
Other current assets	-	-	20,000
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	966,525	62,858	(117,101)
Due to brokers	-	-	-
Payable to fund manager	(140,518)	329	(272,388)
Cash used in operations	(10,224,160)	(13,670,143)	(13,783,917)
Acquisitions of financial assets at fair value through profit or loss	(22,440,547,260)	(18,030,608,450)	(11,006,626,235)
Proceeds from disposal of financial assets at fair value through profit or loss	22,523,645,391	18,044,855,000	11,049,881,542
Dividends received	-	-	-
Interest received	29,966,150	34,414,333	47,561,585
Income taxes paid	(5,836,897)	(6,881,009)	(9,089,200)
Net cash used in operating activities	P97,003,224	P28,109,731	P67,943,775

SUN LIFE PROSPERITY GS FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	-	-	-
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	-	-	-
Proceeds from reissuance of treasury shares	P68,584,069	P734,686,120	P441,655,155
Payments on acquisition of treasury shares	(166,691,429)	(713,676,899)	(507,891,531)
Payments on redemption of deposits for future stock subscriptions	-	(735,295,376)	(8,414,473)
Additional capital infusion	-	30,917,723	-
Payments on issuance of deposits for future stock subscriptions	-	651,430,224	-
Net cash generated from financing activities	(98,107,360)	(31,938,208)	(74,650,849)
Net (Decrease) Increase in Cash in Banks	(1,104,136)	(3,828,477)	(6,707,074)
Cash in Banks, Beginning	10,756,107	14,584,584	21,291,658
Cash in Banks, End	P9,651,971	P10,756,107	P14,584,584

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Sun Life Prosperity Dynamic Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life Prosperity Dynamic Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life Prosperity Dynamic Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	P10,887,915	P495,859
Accrued interest receivable	6,698	6,018
Dividends receivable	673,320	375,000
Financial assets at fair value through profit or loss	3,592,531,687	499,561,622
Loans receivable	-	-
Due from related parties	-	-
Held-to-maturity investments	-	-
Due from brokers	1,843,389	-
Other current assets	-	-
Total Current Assets	P3,605,943,009	P500,438,499
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	P3,605,943,009	P500,438,499
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	2,544,658	212,078
Due to brokers	87,318,885	-
Income tax payable	-	-
Payable to fund manager	10,821,018	3,655,348
Total Current Liabilities	P100,684,561	P3,867,426

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	P35,069,670	P500,000
Deposit for future stock subscription	-	500,000,000
Additional paid in capital	3,270,229,225	49,500,000
Retained earnings	201,025,372	(53,428,927)
Treasury shares	(1,065,819)	-
Total Equity	P3,505,258,448	P496,571,073
Total Liabilities and Equity	P3,605,943,009	P500,438,499
Net Asset Value Per Share	P0.9998	P0.9029

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	P880,261	P263,237	-
Net realized gains on investments	44,531,584	(11,151,678)	-
Dividend income	26,815,418	535,059	-
Reversal of accrued expenses	-	-	-
Other income	144,933	-	-
Total	72,372,196	(10,353,382)	-
Operating Expenses			
Investment management fees	54,097,755	3,868,477	-
Net realized loss on investments	-	-	-
Commission	32,097,630	2,065,879	-
Clearing fees	5,558,710	342,778	-
Taxes and licenses	1,537,502	2,058,222	337,687
Professional fees	233,359	70,200	41,250
Custodian fees	664,638	-	-
Directors fees	224,999	185,000	80,000
Printing and supplies	214,114	128,800	-
Other expenses	190,176	346,938	-
Total	94,818,883	9,066,294	458,937
Profit Before Net Unrealized Gains	(22,446,687)	(19,419,676)	(458,937)
Net Unrealized Gains (Loss) on Investments	304,125,150	(31,289,497)	-
Profit Before Tax	281,678,463	(50,709,173)	(458,937)
Income Tax Expense	27,224,164	2,260,817	-
Profit After Tax	P254,454,299	(P52,969,990)	(P458,937)
Basic Earnings per Share	P0.220	(P1.059)	(P0.009)
Diluted Earnings per Share	P0.146	(P1.059)	(P0.009)

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Issuance of share capital on August 31, 2012	P500,000	-
Loss for the period and other comprehensive income	-	-
Balance, December 31, 2012	500,000	-
Loss for the year and other comprehensive income	-	-
Transactions with owners:	-	-
Deposits for future stock subscriptions	-	500,000,000
Total transactions with owners	-	500,000,000
Balance, December 31, 2013	500,000	500,000,000
Profit and other comprehensive income for the year	-	-
Balance, December 31, 2013	500,000	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:	-	-
Acquisition of treasury shares during the year	-	-
Reissuance of treasury shares during the year	-	-
Issuance of shares during the year	34,569,670	(500,000,000)
Total transactions with owners	34,569,670	(500,000,000)
Balance, December 31, 2014	P35,069,670	-

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
P49,500,000	-	-	P50,000,000
-	(458,937)	-	(458,937)
49,500,000	(458,937)	-	49,541,063
-	(52,969,990)	-	(52,969,990)
-	-	-	-
-	-	-	500,000,000
-	(52,969,990)	-	447,030,010
49,500,000	(53,428,927)	-	496,571,073
-	254,454,299	-	254,454,299
-	-	-	-
-	-	-	-
-	-	(47,937,569)	(47,937,569)
95,747,584	-	46,871,750	142,619,334
3,124,981,641	-	-	2,659,551,311
3,220,729,225	-	(1,065,819)	2,754,233,076
P3,270,229,225	P201,025,372	(P1,065,819)	P3,505,258,448

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	P281,678,463	(P50,709,173)	(P458,937)
Adjustments for:			
Net unrealized gains (losses) on investments	(304,125,150)	31,289,497	-
Net realized gains (losses) on investments	(44,531,584)	11,151,678	-
Interest income	(880,261)	(263,237)	-
Dividend income	(26,815,418)	(535,059)	-
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(94,673,950)	(9,066,294)	(458,937)
Decrease(Increase) in:			
Due from brokers	(1,843,389)	-	-
Due from related parties	-	-	-
Other current assets	-	-	-
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	2,332,580	169,141	42,937
Due to brokers	87,318,885	-	-
Payable to fund manager	7,165,670	3,239,348	416,000
Cash used in operations	299,796	(5,657,805)	-
Acquisitions of financial assets at fair value through profit or loss	(45,912,275,296)	(1,504,515,494)	-
Proceeds from disposal of financial assets at fair value	43,168,342,984	962,512,697	-
Dividends received	26,142,098	160,059	-
Interest received	873,562	257,219	-
Income taxes paid	(27,224,164)	(2,260,817)	-
Net cash used in operating activities	(P2,743,841,020)	(P549,504,141)	-

SUN LIFE PROSPERITY DYNAMIC FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	-	-	-
Cash Flows from Financing Activities	2014	2013	2012
Proceeds from issuance of share capital	P1,436,475,357	-	P50,000,000
Proceeds from reissuance of treasury shares	142,619,334	-	-
Payments on acquisition of treasury shares	(47,937,569)	-	-
Payments on redemption of deposits for future stock subscriptions	-	-	-
Additional capital infusion	-	-	-
Payments on issuance of deposits for future stock subscriptions	1,223,075,954	500,000,000	-
Net cash generated from financing activities	2,754,233,076	500,000,000	50,000,000
Net (Decrease) Increase in Cash in Banks	10,392,056	(49,504,141)	50,000,000
Cash in Banks, Beginning	495,859	50,000,000	-
Cash in Banks, End	P10,887,915	P495,859	P50,000,000

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of Sun Life Prosperity Dollar Advantage Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Sun Life Prosperity Dollar Advantage Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' RESPONSIBILITY

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life Prosperity Dollar Advantage Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

STATEMENTS OF FINANCIAL POSITION

	2014	2013
ASSETS		
Current Assets		
Cash in banks	\$5,229,825	\$2,489,118
Accrued interest receivable	121,135	39,046
Dividends receivable	-	-
Financial assets at fair value through profit or loss	63,509,082	45,121,362
Loans receivable	-	-
Due from related parties	-	-
Held-to-maturity investments	-	-
Due from brokers	-	-
Other current assets	-	-
Total Current Assets	\$68,860,042	\$47,649,526
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	\$68,860,042	\$47,649,526
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	206,282	65,650
Due to brokers	-	-
Income tax payable	2,280	984
Payable to fund manager	119,479	75,148
Total Current Liabilities	\$328,041	\$141,782

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	\$427,393	\$297,099
Deposit for future stock subscription	-	-
Additional paid in capital	60,082,640	39,194,300
Retained earnings	8,031,446	8,016,908
Treasury shares	(9,478)	(563)
Total Equity	68,532,001	47,507,744
Total Liabilities and Equity	\$68,860,042	\$47,649,526
Net Asset Value Per Share	\$3.2074	\$3.1982

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	\$318,806	\$171,339	\$473,809
Net realized gains on investments	1,774,591	470,281	386,276
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Other income	111,300	2,834	545
Total	2,204,697	644,454	860,630
Operating Expenses			
Investment management fees	1,211,480	683,352	514,797
Net realized loss on investments	-	-	-
Commission	-	-	-
Clearing fees	-	-	-
Taxes and licenses	55,711	53,649	5,513
Professional fees	5,479	2,462	2,462
Custodian fees	1,163	677	1,117
Directors fees	5,129	4,273	4,665
Printing and supplies	44,262	8,546	2,721
Other expenses	4,865	9,362	-
Total	1,328,089	762,321	531,275
Profit Before Net Unrealized Gains	876,608	(117,867)	329,355
Net Unrealized Gains (Loss) on Investments	(854,158)	3,985,964	2,004,607
Profit Before Tax	22,450	3,868,097	2,333,962
Income Tax Expense	7912	3,365	8,950
Profit for the Year	\$14,538	\$3,864,732	\$2,325,012
Basic Earnings per Share	\$0.0008	\$0.63	\$0.38
Diluted Earnings per Share	\$0.0007	\$0.32	\$0.23

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	\$124,000	\$ 10,356,424
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Total transactions with owners	-	1,957,419
Balance, December 31, 2012	124,000	12,313,843
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Deposits for future stock subscriptions received	-	24,744,003
Deposits for future stock subscriptions redeemed	-	(5,341,510)
Issuance of shares	173,099	(31,716,336)
Total transactions with owners	173,099	(12,313,843)
Balance, December 31, 2013	297,099	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Issuance of shares	130,294	-
Total transactions with owners	130,294	-
Balance, December 31, 2014	\$427,393	-

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
\$14,757,806	\$1,827,164	(\$101,246)	\$26,964,148
-	2,325,012	-	2,325,012
-	-	-	-
(1,182,099)	-	6,193,200	5,011,101
-	-	(7,321,921)	(7,321,921)
(1,182,099)	-	(1,128,721)	(353,401)
13,575,707	4,152,176	(1,229,967)	28,935,759
-	3,864,732	-	3,864,732
-	-	-	-
(6,024,792)	-	10,106,988	4,082,196
-	-	(8,877,584)	(8,877,584)
-	-	-	24,744,003
100,148	-	-	(5,241,362)
31,543,237	-	-	-
25,618,593	-	1,229,404	14,707,253
39,194,300	8,016,908	(563)	47,507,744
-	14,538	-	14,538
(493,841)	-	13,747,386	13,253,545
-	-	(13,756,301)	(13,756,301)
21,382,181	-	-	21,512,475
20,888,340	-	(8,915)	21,009,719
\$60,082,640	\$8,031,446	(\$9,478)	\$68,532,001

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	\$22,450	\$3,868,097	\$2,333,962
Adjustments for:			
Net unrealized gains (losses) on investments	854,158	(3,985,964)	(2,004,607)
Net realized gains (losses) on investments	(1,774,591)	(470,281)	(386,276)
Interest income	(318,806)	(171,339)	(473,809)
Dividend income	-	-	-
Reversal of accrued expenses	-	-	(545)
Operating cash flows before working capital changes	(1,216,789)	(759,487)	(531,275)
Decrease(Increase) in:			
Due from brokers	-	-	-
Due from related parties	-	-	-
Other current assets	-	-	-
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	140,632	4,990	192
Due to brokers	-	-	-
Payable to fund manager	44,331	28,214	12,778
Cash used in operations	(1,031,826)	(726,283)	(518,305)
Acquisitions of financial assets at fair value-through profit or loss	(1,000,133,612)	(997,971,927)	(509,012,082)
Proceeds from disposal of financial assets at fair value through profit or loss	982,666,325	985,616,327	509,662,419
Dividends received			
Interest received	236,717	280,258	544,954
Income taxes paid	(6,616)	(5,065)	(12,180)
Net cash used in operating activities	(\$18,269,012)	(\$12,806,690)	\$664,806

SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	-	-	-
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	\$11,071,429	-	-
Proceeds from reissuance of treasury shares	13,253,545	4,082,196	5,011,101
Payments on acquisition of treasury shares	(13,756,301)	(8,877,584)	(7,321,921)
Payments on redemption of deposits for future stock subscriptions	-	(5,241,362)	-
Additional capital infusion	-	-	-
Payments on issuance of deposits for future stock subscriptions	10,441,046	24,744,003	1,957,419
Net cash generated from financing activities	21,009,719	14,707,253	(353,401)
Net (Decrease) Increase in Cash in Banks	2,740,707	1,900,563	311,405
Cash in Banks, Beginning	2,489,118	588,555	277,150
Cash in Banks, End	\$5,229,825	\$2,489,118	\$588,555

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

INDEPENDENT AUDITORS' RESPONSIBILITY

REPORT ON THE FINANCIAL STATEMENTS

The management of Sun Life Prosperity Dollar Abundance Fund, Inc. is responsible for the preparation and fair presentation of the financial statements including the additional components attached therein, as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

We have audited the accompanying financial statements of Sun Life Prosperity Dollar Abundance Fund, Inc., which comprise the statements of financial position as at December 31, 2014 and 2013, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Board of Directors reviews and approves the financial statements including the additional components attached therein and submits the same to the stockholders.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Navarro Amper & Co., the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


RIZALINA G. MANTARING
Chairman of the Board


MA. KARENINA M. CASAS
President


RAYMOND H. ONG
Treasurer

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

INDEPENDENT AUDITORS' RESPONSIBILITY

STATEMENTS OF FINANCIAL POSITION

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Life Prosperity Dollar Abundance Fund, Inc., as at December 31, 2014 and 2013, and of its financial performance and its cash flows for each of the three years in the period ended December 31, 2014 in accordance with Philippine Financial Reporting Standards.

REPORT ON THE SUPPLEMENTARY INFORMATION REQUIRED BY BUREAU OF INTERNAL REVENUE

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2014 on taxes, duties and licenses, taxable revenue and deductible expenses in Note 22 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and are not required part of the basic financial statements. Those supplementary information are the responsibility of Management and have been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, those supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Navarro Amper & Co.

BOA Registration No. 0004, valid from October 22, 2012 to December 31, 2015
SEC Accreditation No. 0001-FR-3, issued on January 4, 2013; effective until January 3, 2016, Group A
TIN 005299331
By:



FRANCIS B. ALBALATE

Partner
CPA License No. 0088499
SEC A.N. 0104-AR-3, issued on June 28, 2012; effective until June 27, 2015, Group A
TIN 120319015
BIR A.N. 08-002552-32-2014, issued on October 3, 2014; effective until October 3, 2017
PTR No. A-2368199, issued on January 6, 2015, Taguig City

Taguig City, Philippines
March 20, 2015

	2014	2013
ASSETS		
Current Assets		
Cash in banks	\$879,913	\$88,818
Accrued interest receivable	224,692	273,757
Dividends receivable		
Financial assets at fair value through profit or loss	15,547,700	18,478,603
Loans receivable	-	-
Due from related parties	-	-
Held-to-maturity investments	-	-
Due from brokers	-	-
Other current assets	-	31,826
Total Current Assets	\$16,652,305	\$18,873,004
Non-current Assets		
Loans receivable	-	-
Other non-current assets	-	-
Total Non-current Assets	-	-
Total Assets	\$16,652,305	\$18,873,004
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses	7,072	894,382
Due to brokers	-	-
Income tax payable	17,483	-
Payable to fund manager	111,643	55,654
Total Current Liabilities	\$136,198	\$950,036

STATEMENTS OF FINANCIAL POSITION

	2014	2013
Equity		
Share capital	\$135,309	\$135,309
Deposit for future stock subscription	-	-
Additional paid in capital	16,877,472	17,332,770
Retained earnings	1,426,662	478,377
Treasury shares	(1,923,336)	(23,488)
Total Equity	16,516,107	17,922,968
Total Liabilities and Equity	\$16,652,305	\$18,873,004
Net Asset Value Per Share	\$2.8120	\$2.6527

STATEMENTS OF COMPREHENSIVE INCOME

	2014	2013	2012
Revenues			
Interest income	\$776,627	\$1,111,305	\$851,289
Net realized gains on investments	932,867	-	-
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Other income	4,522	24,329	36
Total	1,714,016	1,135,634	851,325
Operating Expenses			
Investment management fees	306,911	418,019	354,252
Net realized loss on investments	-	861,020	-
Commission	-	-	-
Clearing fees	-	-	-
Taxes and licenses	965	41,365	1,549
Professional fees	2,075	1,781	2,033
Custodian fees	6,422	4,307	2,340
Directors fees	5,129	4,273	4,653
Printing and supplies	81,930	5,113	2,723
Other expenses	5,220	5,626	1,807
Total	408,652	1,341,504	369,357
Profit Before Net Unrealized Gains	1,305,364	(205,870)	481,968
Net Unrealized Gains (Loss) on Investments	(259,309)	(2,395,240)	1,440,108
Profit Before Tax	1,046,055	(2,601,110)	1,922,076
Income Tax Expense	97,770	150,342	136,034
Profit After Tax	\$948,285	(\$2,751,452)	\$1,786,042
Basic Earnings per Share	\$0.18	(\$1.39)	\$0.89
Diluted Earnings per Share	\$0.18	(\$1.39)	\$0.26

SUN LIFE OF PROSPERITY DOLLAR ABUNDANCE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

STATEMENTS OF CHANGES IN EQUITY

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Deposit for future stock subscriptions
Balance, January 1, 2012	\$40,000	\$7,584,670
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Deposits for future stock subscriptions received	-	13,536,218
Total transactions with owners	-	13,536,218
Balance, December 31, 2011	40,000	21,120,888
Loss and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Deposits for future stock subscriptions received	-	2,681,282
Redemption of deposits for future stock subscription	-	(5,873,550)
Transfer from DFFS to subscribed share capital	95,309	(17,928,620)
Total transactions with owners	95,309	(21,120,888)
Balance, December 31, 2013	135,309	-
Profit and other comprehensive income for the year	-	-
Transactions with owners:		
Reissuance of treasury shares during the year	-	-
Acquisition of treasury shares during the year	-	-
Total transactions with owners	-	-
Balance, December 31, 2014	\$135,309	-

Additional Paid-in Capital	Retained Earnings	Treasury Shares	Total
\$4,320,680	\$1,443,787	(\$893)	\$13,388,244
-	1,786,042	-	1,786,042
(1,658,472)	-	2,041,403	382,931
-	-	(2,045,789)	(2,045,789)
-	-	-	13,536,218
(1,658,472)	-	(4,386)	11,873,360
2,662,208	3,229,829	(5,279)	27,047,646
-	(2,751,452)	-	(2,751,452)
(3,129,364)	-	8,883,875	5,754,511
-	-	(8,902,084)	(8,902,084)
-	-	-	2,681,282
(33,385)	-	-	(5,906,935)
17,833,311	-	-	-
14,670,562	-	(18,209)	(6,373,226)
17,332,770	478,377	(23,488)	17,922,968
-	948,285	-	948,285
(455,298)	-	1,171,611	716,313
-	-	(3,071,459)	(3,071,459)
(455,298)	-	(1,899,848)	(2,355,146)
\$16,877,472	\$1,426,662	(\$1,923,336)	\$16,516,107

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.

STATEMENTS OF CASH FLOWS

Cash Flows from Operating Activities	2014	2013	2012
Profit before tax	\$1,046,055	(\$2,601,110)	\$1,922,076
Adjustments for:			
Net unrealized gains (losses) on investments	259,309	2,395,240	(1,440,108)
Net realized gains (losses) on investments	(932,867)	861,020	-
Interest income	(776,627)	(1,111,305)	(851,289)
Dividend income	-	-	-
Reversal of accrued expenses	-	-	-
Operating cash flows before working capital changes	(404,130)	(456,155)	(369,321)
Decrease(Increase) in:			
Due from brokers	-	-	-
Due from related parties	-	-	-
Other current assets	31,826	(31,826)	-
Other non-current assets	-	-	-
Increase in:			
Accrued expenses	(887,310)	886,010	29,783
Due to brokers	-	-	-
Payable to fund manager	55,989	17,115	2,399
Cash used in operations	(1,203,625)	415,144	(337,139)
Acquisitions of financial assets at fair value	(632,767,504)	(417,808,408)	(399,185,166)
Proceeds from disposal of financial assets at fair value	636,211,391	421,992,606	387,687,340
Dividends received	-	-	-
Interest received	825,692	1,242,757	669,032
Income taxes paid	80,287	(194,577)	(116,250)
Net cash used in operating activities	\$3,146,241	\$5,647,522	(\$11,282,183)

STATEMENTS OF CASH FLOWS

Cash Flows from investing Activities	2014	2013	2012
Maturities (Acquisitions) of held-to-maturity investments	-	-	-
Proceeds from pre-termination of loans receivable	-	-	-
Net cash (used in) generated from investing activities	-	-	-
Cash Flows from Financing Activities			
Proceeds from issuance of share capital	-	-	-
Proceeds from reissuance of treasury shares	\$716,313	\$5,754,511	\$382,931
Payments on acquisition of treasury shares	(3,071,459)	(8,902,084)	(2,045,789)
Payments on redemption of deposits for future stock subscriptions	-	(5,906,935)	-
Additional capital infusion	-	-	-
Payments on issuance of deposits for future stock subscriptions	-	2,681,282	13,536,218
Net cash generated from financing activities	(2,355,146)	(6,373,226)	11,873,360
Net (Decrease) Increase in Cash in Banks	791,095	(725,704)	591,177
Cash in Banks, Beginning	88,818	814,522	223,345
Cash in Banks, End	\$879,913	\$88,818	\$814,522

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS.

1. CASH IN BANKS

Cash in banks earned interest amounting to:

	INTEREST EARNED			AVERAGE RATES		
	2014	2013	2012	2014	2013	2012
Bond Fund	P201,407	P136,183	P97,602	0.27%	0.27%	0.31%
Balanced Fund	P390,095	P309,603	P217,299	0.20%	0.27%	0.31%
Philippine Equity Fund	P408,212	P269,511	P206,305	0.20%	0.27%	0.31%
Money Market Fund	P165,432	P130,125	P108,134	0.20%	0.27%	0.31%
GS Fund	P56,225	P58,392	P77,158	0.20%	0.27%	0.31%
Dynamic Fund	P96,290	P18,404	P0	0.20%	0.27%	0.00%
Dollar Advantage Fund	\$1,509	\$1,294	\$515	0.19%	0.25%	0.31%
Dollar Abundance Fund	\$634	\$729	\$611	0.19%	0.21%	0.31%

2. ACCRUED INTEREST RECEIVABLE

This account consist of accrued interest on the following:

	BOND		BALANCED		EQUITY	
	2014	2013	2014	2013	2014	2013
Fixed-income securities	P61,683,191	P61,285,716	P37,403,784	P37,495,516	-	-
Corporate Loans	2,477,234	8,062,523	-	-	-	-
Special savings deposits	165,132	121,879	894,327	392,413	268,079	205,797
	P64,325,557	P69,470,118	P38,298,111	P37,887,929	P268,079	P205,797

	MONEY MARKET		GS		DYNAMIC	
	2014	2013	2014	2013	2014	2013
Fixed-income securities	-	-	P5,369,234	P 6,131,883	-	-
Held-to-maturity investments	669,185	-	-	-	-	-
Corporate Loans	-	-	-	-	-	-
Special savings deposits	70,888	11,137	771	12,942	6,698	6,018
	P 740,073	P 11,137	P 5,370,005	P 6,144,825	P 6,698	P6,018

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2014	2013	2014	2013
Treasury Notes	-	-	-	-
Corporate Loans	-	-	-	-
Fixed Income Securities	\$120,638	\$37,904	\$224,601	\$273,507
Special savings deposits	497	1,142	91	250
	\$121,135	\$39,046	\$224,692	\$273,757

3. ACCRUED EXPENSES

	BOND		BALANCED		EQUITY	
	2014	2013	2014	2013	2014	2013
Withholding taxes	P753,240	P834,692	P2,761,189	P2,969,301	P2,862,153	P2,835,063
Due to Brokers	-	-	-	-	-	-
Documentary stamp tax	1,794	124,392	1,218	2,361	6,227	944
Professional fees	192,282	190,256	138,410	337,044	83,709	277,592
Custodianship fees	75,972	46,936	720,391	369,997	758,010	386,028
Due to investors	38,595,036	-	77,424,826	-	69,353,156	-
Others	93,076	-	1,600,623	-	201,763	-
	P39,711,400	P1,196,276	P82,646,657	P3,678,703	P73,265,018	P3,499,627

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	MONEY MARKET		GS		DYNAMIC	
	2014	2013	2014	2013	2014	2013
Withholding taxes	P8,811	P23,902	P58,880	P77,941	-	-
Due to Brokers	-	-	-	-	-	-
Documentary stamp tax	387	468	137	258	1,078,741	164,324
Professional fees	62,160	59,673	66,306	124,589	82,880	18,500
Custodianship fees	2,434	170	6,992	4,381	-	-
Due to investors	8,612,774	-	1,038,313	-	1,223,525	-
Others	999	-	5,047	1,981	159,512	29,254
	P8,687,565	P84,213	P1,175,675	P209,150	P2,544,658	P212,078

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2014	2013	2014	2013
Withholding taxes	\$8,786	\$6,079	\$2,105	\$2,549
Due to Brokers	-	-	-	-
Documentary stamp tax	-	-	6	17
Professional fees	2,027	1,823	1,476	1,331
Custodianship fees	-	-	539	-
Due to investors	195,356	-	2,946	890,485
Others	113	57,748	-	-
	\$206,282	\$65,650	\$7,072	\$894,382

Due to investors account pertains to amount payable to investors for redemption of investments processed on or before the reporting period, which are usually paid two days after the transaction date.

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

Others comprise of expenses related to the increase in authorized capital stock and printing and supplies accruals

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

4. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

a. Investment Management

Management fees charged by SLAMCI to the Companies in 2013, 2012 and 2011 are included in the statements of profit or loss under "Investment management fees" account shown in the table below. The table likewise shows the accrued management fees as of December 31, 2013 and 2012 as shown under "Payable to fund manager" account in the statements of financial position, and the carrying amount approximates fair value which are usually paid to SLAMCI on or before 15th day of the following month.

	MANAGEMENT FEE EXPENSES			ACCRUED MANAGEMENT FEE	
	2014	2013	2012	2014	2013
Bond Fund	P113,217,125	P113,641,790	P97,945,771	P10,051,264	P10,666,212
Balanced Fund	P405,445,564	P382,375,448	P244,661,903	(P38,072,495)	(P41,086,507)
Philippine Equity Fund	P376,236,501	P331,552,342	P141,862,592	P36,426,416	P42,200,959
Money Market Fund	P1,641,458	P3,442,688	P5,341,831	P689,584	P215,786
GS Fund	P10,144,463	P11,055,220	P12,961,507	P881,704	P1,022,222
Dynamic Fund	P54,097,755	P3,868,477	-	P10,821,018	P3,655,348
Dollar Advantage Fund	\$1,211,480	\$683,352	\$514,797	\$119,479	\$75,148
Dollar Abundance Fund	\$306,911	\$418,019	\$354,252	\$111,643	\$55,654

b. Remuneration of Directors

These are presented in the statements of comprehensive income under "Directors' Fees" account which are usually paid to Directors based on the meetings held and attended.

	DIRECTORS' FEES		
	2014	2013	2012
Bond Fund	P225,000	P224,000	P190,250
Balanced Fund	P366,666	P365,000	P308,750
Philippine Equity Fund	P371,667	P310,000	P310,000
Money Market Fund	P224,999	P185,000	P190,250
GS Fund	P231,668	P229,000	P191,501
Dynamic Fund	P224,999	P185,000	P80,000
Dollar Advantage Fund	\$5,129	\$4,273	\$4,665
Dollar Abundance Fund	\$5,129	\$4,273	\$4,653

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

c. Remuneration of Key Management Personnel

The Companies have no management personnel and employees. Pursuant to the Companies' Management and Distribution Agreement with its Fund Manager, SLAMCI, the latter provides all staff of the Companies, including executive officers and other trained personnel.

5. SHARE CAPITAL

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
BOND						
Authorized:						
At P1.00 par value	3,800,000,000	P3,800,000,000	3,800,000,000	P3,800,000,000	3,800,000,000	P3,800,000,000
Reduction in par value	-	(3,762,000,000)	-	-	-	-
At P0.01 par value in 2014	3,800,000,000	38,000,000	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000
Issued and fully paid:						
At December 31	3,730,399,542	3,730,399,542	3,730,399,542	3,730,399,542	3,730,399,542	3,730,399,542
Reduction in par value	-	(3,693,095,547)	-	-	-	-
	3,730,399,542	P37,303,995	3,730,399,542	P37,303,995	3,730,399,542	P37,303,995
Treasury shares:						
At January 1	1,305,186,013	3,445,505,658	1,664,637,816	3,889,232,554	1,751,445,229	3,617,937,140
Acquisition	552,651,314	929,410,728	1,071,818,764	2,838,344,209	927,714,853	2,235,238,673
Reissuance	(309,126,719)	(255,796,131)	(1,431,270,567)	(3,282,071,105)	(1,014,522,266)	(1,963,943,259)
At December 31	1,548,710,608	P4,119,120,255	1,305,186,013	P3,445,505,658	1,664,637,816	P3,889,232,554

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
BALANCED						
Authorized:						
P0.01 par value	-	-	-	-	-	-
At January 1	4,000,000,000	P40,000,000	4,000,000,000	P40,000,000	4,000,000,000	P40,000,000
Increase in authorized shares	1,000,000,000	10,000,000	-	-	-	-
	5,000,000,000	P50,000,000	4,000,000,000	P40,000,000	4,000,000,000	P40,000,000
Issued and fully paid:						
At January 1	3,999,707,751	39,997,078	3,498,135,726	34,981,357	3,311,965,293	33,119,653
Issuances during the year	837,937,344	8,382,274	501,572,025	5,015,721	186,170,433	1,861,704
At December 31	4,837,645,095	P48,379,352	3,999,707,751	P39,997,078	3,498,135,726	P34,981,357
Treasury shares:						
At January 1	-	-	-	-	127,031,516	340,558,053
Acquired during the year	819,345,180	2,881,884,099	-	-	861,565,785	2,530,190,717
Reissuance	(421,332,696)	(1,441,686,446)	-	-	(988,597,301)	(2,870,748,770)
At December 31	398,012,484	P1,440,197,653	-	-	-	-
Deposits for future stock subscriptions:						
At January 1	823,785,564	2,959,291,685	-	-	-	-
Subscription Received	440,019,484	1,487,691,164	922,061,535	3,318,705,153	-	-
Redemptions	(4,535,008)	(3,966,469,335)	(98,275,971)	(359,413,468)	-	-
Transfer from DFFS to ACS	(1,259,270,040)	(480,513,514)	-	-	-	-
At December 31	-	-	823,785,564	P2,959,291,685	-	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

EQUITY

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized: At P0.01 par value	3,000,000,000	P30,000,000	1,200,000,000	P12,000,000	1,200,000,000	P12,000,000
Increase in the authorized shares	1,500,000,000	15,000,000	1,800,000,000	18,000,000	-	-
	4,500,000,000	P45,000,000	3,000,000,000	P30,000,000	1,200,000,000	P12,000,000
Fully paid: At January 1	3,000,000,000	30,000,000	1,200,000,000	12,000,000	1,200,000,000	12,000,000
Issuances during the year	1,235,112,117	12,351,121	1,800,000,000	18,000,000	-	-
At December 31	4,235,112,117	P42,351,121	3,000,000,000	P30,000,000	1,200,000,000	P12,000,000
Treasury shares: At January 1	22,367	77,687	12,248	43,755	948,791	2,543,232
Acquired during the year	1,430,627,986	5,499,600,440	312,687,498	9,400,430,990	584,670,667	5,391,354,515
Reissuance	(1,187,460,423)	(4,532,907,264)	(312,677,379)	(9,400,397,058)	(585,607,210)	(5,393,853,992)
At December 31	243,189,930	P966,770,863	22,367	P77,687	12,248	P43,755
Deposit for future stocks subscriptions:						
At January 1	1,219,673,393	4,559,032,843	1,110,599,016	3,967,392,865	678,995,546	1,496,280,230
Receipts	1,254,143,631	4,774,481,296	4,513,100,705	17,915,207,775	431,603,470	2,471,112,635
Redemptions	(51,244,484)	(17,468,265)	(2,604,026,328)	(10,656,097,798)	-	-
Transfer from DFFS to ACS	(2,422,572,540)	(9,316,045,874)	(1,800,000,000)	(6,667,469,999)	-	-
At December 31	-	-	1,219,673,393	P4,559,032,843	1,110,599,016	P3,967,392,865

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

MONEY MARKET

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized: At P0.01 par value	400,000,000	P4,000,000	400,000,000	P4,000,000	400,000,000	P4,000,000
Issued and fully paid: At January 1	220,945,867	2,209,459	100,000,000	1,000,000	100,000,000	1,000,000
Issuances during the year	179,038,535	1,790,385	120,945,867	1,209,459	-	-
At December 31	399,984,402	P3,999,844	220,945,867	P2,209,459	100,000,000	P1,000,000
Treasury shares:						
At January 1	671,232	755,740	190,196	215,028	7,207	8,122
Acquisition	603,224,598	742,872,868	130,893,159	1,797,454,855	28,666,408	1,668,333,300
Reissuance	(410,606,142)	(525,945,825)	(130,412,123)	(1,796,914,143)	(28,483,419)	(1,668,126,394)
At December 31	193,289,688	P217,682,783	671,232	P755,740	190,196	P215,028
Deposit for future stock subscriptions:						
At January 1	-	-	159,726,729	180,650,930	364,733,522	389,707,799
Receipts	656,515,531	727,509,972	1,429,476,903	1,762,613,685	-	-
Redemptions	(66,870,854)	(75,275,725)	(1,468,257,765)	(1,659,167,820)	(205,006,793)	(209,056,869)
Issuance of shares	(589,644,677)	(652,234,247)	(120,945,867)	(284,096,795)	-	-
At December 31	-	-	-	-	159,726,729	P180,650,930

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

GS

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P0.01 par value						
At January 1	1,000,000,000	P10,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Increase in authorized shares	-	-	800,000,000	8,000,000	-	-
	1,000,000,000	P10,000,000	1,000,000,000	P10,000,000	200,000,000	P2,000,000
Fully paid:						
At January 1	403,145,317	4,031,453	200,000,000	2,000,000	200,000,000	2,000,000
Transfers from DFFS	-	-	203,145,317	2,031,453	-	-
At December 31	403,145,317	P4,031,453	403,145,317	P4,031,453	200,000,000	P2,000,000
Treasury shares:						
At January 1	4,385,593	6,663,467	107,123	158,788	156,402	218,040
Acquired during the year	118,334,360	166,691,429	108,662,283	713,676,899	47,766,793	507,891,531
Reissuance	(53,485,560)	(72,792,943)	(104,383,813)	(707,172,220)	(47,816,072)	(507,950,783)
At December 31	69,234,393	P100,561,953	4,385,593	P6,663,467	107,123	P158,788
Deposits for future stock subscription:						
At January 1	-	-	240,137,430	356,580,070	289,230,325	364,994,543
Receipts during the year	-	-	315,126,480	651,430,224	-	-
Redemptions during the year	-	-	(352,118,593)	(714,284,486)	(49,092,895)	(8,414,473)
Issuance of shares	-	-	(203,145,317)	(293,725,808)	-	-
At December 31	-	-	-	-	240,137,430	P356,580,070

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DYNAMIC

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P0.01 par value						
At January 1	200,000,000	P2,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Increase in authorized shares	5,000,000,000	50,000,000	-	-	-	-
	5,200,000,000	P52,000,000	200,000,000	P2,000,000	200,000,000	P2,000,000
Fully paid:						
At January 1	50,000,000	500,000	50,000,000	500,000	-	-
Issuances during the year	1,649,984,014	16,499,840	-	-	50,000,000	500,000
Transfer from DFFS to ACS	1,806,983,010	18,069,830	-	-	-	-
At December 31	3,506,967,024	P35,069,670	50,000,000	P500,000	50,000,000	P500,000
Treasury shares:						
At January 1	-	-	-	-	-	-
Acquired during the year	48,031,602	47,937,569	-	-	-	-
Reissuance	(46,954,163)	(46,871,750)	-	-	-	-
At December 31	1,077,439	P1,065,819	-	-	-	-
Deposit for future stocks subscriptions:						
At January 1	500,000,000	500,000,000	-	-	-	-
Receipts	-	-	500,000,000	500,000,000	-	-
Transfer from DFFS to ACS	(500,000,000)	(500,000,000)	-	-	-	-
At December 31	-	-	500,000,000	P500,000,000	-	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DOLLAR ADVANTAGE

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P1.00 par value						
At January 1	18,200,000	\$18,200,000	6,200,000	\$6,200,000	6,200,000	\$6,200,000
Increase in authorized shares	15,000,000	15,000,000	12,000,000	12,000,000	-	-
	33,200,000	\$33,200,000	18,200,000	\$18,200,000	6,200,000	\$6,200,000
Issued and fully paid:						
At January 1	14,854,928	297,099	6,200,000	124,000	6,200,000	124,000
Issuance during the year	3,345,068	66,901	-	-	-	-
Subscriptions during the year	3,169,629	63,393	8,654,928	173,099	-	-
At December 31	21,369,625	\$427,393	14,854,928	\$297,099	6,200,000	\$124,000
Treasury shares:						
At January 1	176	563	431,672	1,229,967	38,205	101,246
Acquisition	4,097,655	13,756,301	1,503,292	8,877,584	1,612,721	7,321,921
Reissuance	(4,094,874)	(13,747,386)	(1,934,788)	(10,106,988)	(1,219,254)	(6,193,200)
At December 31	2,957	\$9,478	176	\$563	431,672	\$1,229,967
Deposits for Future Stock Subscriptions (DFFS):						
At January 1	-	-	4,272,080	12,313,843	4,008,213	10,356,424
Subscriptions received	-	-	6,211,640	24,744,003	263,867	1,957,419
Redemptions	-	-	(1,828,792)	(5,341,510)	-	-
Transfer from DFFS to ACS	-	-	(8,654,928)	(31,716,336)	-	-
At December 31	-	-	-	-	4,272,080	\$12,313,843

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DOLLAR ABUNDANCE

	2014		2013		2012	
	Shares	Amount	Shares	Amount	Shares	Amount
Authorized:						
At P1.00 par value						
At January 1	10,000,000	\$10,000,000	2,000,000	\$2,000,000	2,000,000	\$2,000,000
Increase in authorized shares	-	-	8,000,000	8,000,000	-	-
At December 31	10,000,000	\$10,000,000	10,000,000	\$10,000,000	2,000,000	\$2,000,000
Fully paid:						
At January 1	6,765,497	135,309	2,000,000	40,000	2,000,000	40,000
Subscriptions during the year	-	-	4,765,497	95,309	-	-
At December 31	6,765,497	\$135,309	6,765,497	\$135,309	2,000,000	\$40,000
Treasury Shares:						
At January 1	8,898	23,488	1,790	5,279	334	893
Acquisitions	1,196,540	3,071,459	1,161,917	8,902,084	193,046	2,045,789
Reissuance	(313,283)	(1,171,611)	(1,154,809)	(8,883,875)	(191,590)	(2,041,403)
At December 31	892,155	\$1,923,336	8,898	\$23,488	1,790	\$5,279
Deposits for future subscriptions:						
At January 1	-	-	7,131,821	21,120,888	3,005,901	7,584,670
Receipts	-	-	219,108	2,681,282	4,125,920	13,536,218
Redemptions	-	-	(2,585,432)	(5,873,550)	-	-
Transfer from DFFS to ACS	-	-	(4,765,497)	(17,928,620)	-	-
At December 31	-	-	-	-	7,131,821	\$21,120,888

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

6. ADDITIONAL PAID-IN CAPITAL

The Companies' additional paid in capital pertains to excess payments from investors over par value are shown in table below:

	2014	2013	2012
Bond Fund	P6,928,363,681	P3,207,251,986	P2,376,812,358
Balanced Fund	P12,402,771,900	P9,420,259,970	P7,208,009,160
Philippine Equity Fund	P12,743,529,959	P8,125,224,984	P1,138,486,373
Money Market Fund	P439,488,441	P239,873,512	P103,930,143
GS Fund	P492,209,841	P496,418,715	P167,303,627
Dynamic Fund	P3,270,229,225	P49,500,000	P49,500,000
Dollar Advantage Fund	\$60,082,640	\$39,194,300	\$13,575,707
Dollar Abundance Fund	\$16,877,472	\$17,332,769	\$2,662,208

7. NET ASSET VALUE PER SHARE

In accordance with the Companies' valuation policy, fixed-income securities with quoted market prices and listed equity securities are valued at bid and last closing prices, respectively, for the purpose of determining the NAVPS for share subscriptions and redemptions.

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

- a. Distribution of Dividends

Each shareholder has a right to any dividends declared by the Companies' Board of Directors and approved by 2/3 of its outstanding shareholders of the Companies.

- b. Denial of Pre-emptive Rights

No stockholder shall, because of his ownership of the stock, have a pre-emptive or other right to purchase, subscribe for, or take any part of stock or of any other securities convertible into or carrying options or warrants to purchase stock of the registrant.

- c. Right of Redemption

The holder of any share of the registrant upon its presentation to the Companies or to any of its duly authorized representative is entitled to receive, by way of redemption, approximately his proportionate share of the Companies' current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net assets value less any applicable sales charges.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

NAVPS is computed as follows:

	BOND		BALANCED		EQUITY	
	2014	2013	2014	2013	2014	2013
Total equity	P5,892,604,272	P6,476,518,502	P16,695,287,453	P16,233,068,222	P16,318,040,248	P14,646,040,685
Outstanding shares	2,181,688,934	2,425,213,529	4,439,632,611	3,999,707,751	3,991,915,227	2,999,977,633
Deposit for future stock subscription	-	-	-	823,785,564	-	1,219,673,393
	2,181,688,934	2,425,213,529	4,439,632,611	4,823,493,315	3,991,915,227	4,219,651,026
NAVPS	P2.701	P2.670	P3.761	P3.365	P4.088	P3.471

	MONEY MARKET		GS		DYNAMIC	
	2014	2013	2014	2013	2014	2013
Total equity	P232,580,742	P248,055,537	P511,873,119	P605,529,858	P3,505,258,448	P496,571,073
Outstanding shares	206,694,714	220,274,635	333,910,924	398,759,724	3,505,889,585	50,000,000
Deposit for future stock subscription	-	-	-	-	-	500,000,000
	206,694,714	220,274,635	333,910,924	398,759,724	3,505,889,585	550,000,000
NAVPS	P1.125	P1.126	P1.533	P1.519	P1.000	P0.903

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2014	2013	2014	2013
Total equity	\$68,532,001	\$47,507,744	\$16,516,107	\$17,922,968
Outstanding shares	21,366,668	14,854,752	5,873,342	6,756,599
Deposit for future stock subscription	-	-	-	-
	21,366,668	14,854,752	5,873,342	6,756,599
NAVPS	\$3.207	\$3.198	\$2.812	\$2.653

NAVPS is based on issued, outstanding and fully paid shares plus deposits for future stock subscriptions. The expected cash outflow on redemption of these equity shares is equivalent to computed NAVPS as at reporting period.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

8. INTEREST INCOME

Interest income is recorded gross of withholding tax and the related final withholding taxes are shown as "Income Tax Expense" in the profit or loss.

This account consists of interest income on the following:

Interest income earned on financial assets, analyzed by categories are as follows:

	BOND			BALANCED		
	2014	2013	2012	2014	2013	2012
Fixed-income securities	P298,063,498	P315,672,606	P289,486,830	P173,682,167	P167,249,592	P148,506,791
Corporate loans	23,445,289	34,840,894	46,724,600	-	-	2,187,300
Special savings deposits	7,467,680	6,127,128	10,232,516	19,821,178	18,733,450	22,902,771
Treasury Bills	-	-	-	-	-	-
Cash in banks	201,407	136,183	97,602	390,095	309,603	217,299
	P329,177,874	P356,776,811	P346,541,548	P193,893,440	P186,292,645	P173,814,161

	MONEY MARKET			GS		
	2014	2013	2012	2014	2013	2012
Fixed-income securities	-	-	-	P28,542,751	P33,476,671	P43,933,838
Corporate loans	-	-	-	-	-	-
Held-to-maturity investments	2,815,016	-	534,205	-	-	-
Special savings deposits	1,410,187	2,834,202	9,077,078	592,354	874,052	1,392,779
Cash in banks	165,432	130,125	108,134	56,225	58,392	77,158
	P4,390,635	P2,964,327	P9,719,417	P29,191,330	P34,409,115	P45,403,775

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	EQUITY			DYNAMIC		
	2014	2013	2012	2014	2013	2012
Fixed-income securities	-	-	-	-	-	-
Corporate loans	-	-	-	-	-	-
Special savings deposits	P9,218,128	P10,214,581	P12,300,127	P783,971	P244,833	-
Treasury Bills	307,472	-	-	-	-	-
Cash in banks	408,212	269,511	206,305	96,290	18,404	-
	P9,933,812	P10,484,092	P12,506,432	P880,261	P263,237	-

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2014	2013	2012	2014	2013	2012
Fixed-income securities	\$260,445	\$159,564	\$469,637	\$770,087	\$1,106,302	\$846,504
Corporate loans	-	-	-	-	-	-
Special savings deposits	56,852	10,481	3,657	5,906	4,274	4,174
Cash in banks	1,509	1,294	515	634	729	611
	\$318,806	\$171,339	\$473,809	\$776,627	\$1,111,305	\$851,289

9. OTHER INCOME

	BALANCED			PHIL. EQUITY		
	2013	2012	2011	2013	2012	2011
Reversal of accrued expenses	-	-	P19,435,893	-	-	P11,327,791
Gain from pre-termination of loan	-	-	-	-	-	-
Others	73,201	156,025	-	-	-	-
	P73,201	P156,025	P19,435,893	-	-	P11,327,791

Reversal of accrued expenses pertains to reversal of the Companies' provisions for expenses for its application for increase in authorized share capital with the SEC.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

10. NET REALIZED GAIN ON INVESTMENT

This account consists of realized gain on the following:

	BALANCED			EQUITY		
	2014	2013	2012	2014	2013	2012
Net realized gains on investments	-	-	-	-	-	-
Listed equity shares	P772,075,452	P965,966,026	P1,237,919,753	P735,439,053	P693,067,989	P998,221,812
Fixed-income securities	(4,479,073)	250,211,412	11,087,127	-	-	-
	P767,596,379	P1,216,177,438	P1,249,006,880	P735,439,053	P693,067,989	P998,221,812
Net unrealized gains (loss) on investments	-	-	-	-	-	-
Listed equity shares	1,334,442,953	(1,768,051,567)	2,686,257,449	2,085,372,215	(1,647,704,573)	788,120,254
Fixed-income securities	(41,432,567)	(179,317,932)	(1,637,932,468)	-	-	-
	P1,293,010,386	(P1,947,369,499)	P1,048,324,981	P2,085,372,215	(P1,647,704,573)	P788,120,254
	P2,060,606,765	(P731,192,061)	P2,297,331,861	P2,820,811,268	(P954,636,584)	P1,786,342,066

	DYNAMIC			DOLLAR ADVANTAGE		
	2014	2013	2012	2014	2013	2012
Net realized gains on investments	-	-	-	-	-	-
Listed equity shares	P44,531,584	(P11,151,678)	-	\$1,774,591	\$38,294	\$22,658
Fixed-income securities	-	-	-	-	431,987	363,618
	P44,531,584	(P11,151,678)	-	\$1,774,591	\$470,281	\$386,276
Net unrealized gains (loss) on investments	304,125,150	(31,289,497)	-	-	-	-
Listed equity shares	-	-	-	(854,158)	3,985,964	2,004,607
Fixed-income securities	-	-	-	-	-	-
	P304,125,150	(P31,289,497)	-	(P854,158)	\$3,985,964	\$2,004,607
	P348,656,734	(P42,441,175)	-	\$920,433	\$4,456,245	\$2,390,883

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

11. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data.

	BOND			BALANCED		
	2014	2013	2012	2014	2013	2012
Profit (loss) for the year	P61,684,219	(P55,055,611)	P286,493,333	P1,871,655,824	(P882,954,560)	P2,264,769,233
Weighted Average Number of Shares:	-	-	-	-	-	-
Issued and Outstanding	2,313,023,550	2,250,157,048	2,158,537,534	4,280,060,480	3,891,336,850	3,294,515,282
Outstanding potential shares	-	-	-	-	-	-
Potential Dilutive Shares	-	-	-	138,568,049	388,723,630	-
Weighted Average Number of Outstanding Shares for the purpose of computing diluted earnings (loss) per share	-	-	-	4,418,628,529	4,280,060,480	3,294,515,282
Basic earnings per share	0.027	(0.020)	0.130	0.437	(0.227)	0.687
Diluted earnings per share	-	-	-	P0.424	(P0.227)	P0.687

	PHIL. EQUITY			MONEY MARKET		
	2014	2013	2012	2014	2013	2012
Profit (loss) for the year	P2,567,069,555	(P1,204,058,862)	P1,693,221,320	P1,871,655,824	(P882,954,560)	P2,264,769,233
Weighted Average Number of Shares:	-	-	-	-	-	-
Issued and Outstanding	3,565,243,281	1,199,759,222	1,196,971,774	4,280,060,480	3,891,336,850	3,294,515,282
Outstanding potential shares	-	-	-	-	-	-
Potential Dilutive Shares	504,095,570	2,297,828,112	677,601,962	138,568,049	388,723,630	-
Weighted Average Number of Outstanding Shares for the purpose of computing diluted earnings (loss) per share	4,069,338,851	3,497,587,334	1,874,573,736	4,418,628,529	4,280,060,480	3,294,515,282
Basic earnings per share	(P0.7200)	(P1.0036)	(P1.4146)	0.437	(0.227)	0.687
Diluted earnings per share	(P0.6308)	(P1.0036)	(P0.9033)	P0.424	(P0.227)	P0.687

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	GS			DYNAMIC		
	2014	2013	2012	2014	2013	2012
Profit (loss) for the year	P4,450,621	(P15,871,489)	P43,196,530	P254,454,299	(P52,969,990)	P458,937
Weighted Average Number of Shares:						
Issued and Outstanding	334,235,279	199,634,954	199,592,280	1,153,574,713	50,000,000	50,000,000
Outstanding potential shares	-	190,690,643	288,080,955	592,817,413	125,000,000	-
Potential Dilutive Shares	-	-	-	-	-	-
Weighted Average Number of Outstanding Shares for the purpose of computing diluted earnings (loss) per share	334,235,279	390,325,597	487,673,235	1,746,392,126	175,000,000	-
Basic earnings per share	(P0.0133)	(P0.0795)	(P0.2164)	(P0.2206)	(P1.0594)	(P0.0092)
Diluted earnings per share	(P0.0133)	(P0.0795)	(P0.0886)	(P0.1457)	(P1.0594)	-

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2014	2013	2012	2014	2013	2012
Profit (loss) for the year	\$14,538	\$3,864,732	\$2,325,012	\$948,285	(\$2,751,452)	\$1,786,042
Weighted Average Number of Shares:						
Issued and Outstanding	16,177,605	6,113,797	6,115,944	5,390,936	1,982,604	1,998,214
Outstanding potential shares	3,911,128	5,900,471	3,916,506	-	-	-
Potential Dilutive Shares	-	-	-	-	6,306,324	4,975,520
Weighted Average Number of Outstanding Shares for the purpose of computing diluted earnings (loss) per share	20,088,733	12,014,268	10,032,450	5,390,936	8,288,928	6,973,734
Basic earnings per share	\$0.0009	\$0.6321	\$0.3802	\$0.1759	(\$1.3878)	\$0.8938
Diluted earnings per share	\$0.0007	\$0.3217	\$0.2317	\$0.1759	(\$1.3878)	\$0.2561

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Companies' financial assets and financial liabilities are shown below:

BOND	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	-	-	-	-
Cash in banks	P54,377,890	P54,377,890	P17,713,176	P17,713,176
Due from related parties	-	-	-	-
Dividends Receivable	-	-	-	-
Accrued Interest Receivable	64,325,557	64,325,557	69,470,118	69,470,118
Due from brokers	-	-	-	-
Loans Receivable	242,500,000	271,224,531	421,400,000	591,399,121
	P361,203,447	P389,927,978	P508,583,294	P678,582,415
Financial Liabilities				
Accrued expenses and other payables	38,956,366	38,956,366	237,192	237,192
Payable to fund manager	10,051,264	10,051,264	10,666,212	10,666,212
	P49,007,630	P49,007,630	P10,903,404	P10,903,404

BALANCED	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss				
Cash in banks	P197,346,326	P197,346,326	P157,095,117	P157,095,117
Due from related parties	-	-	826,500	826,500
Dividends Receivable	2,070,718	2,070,718	6,584,474	6,584,474
Accrued Interest Receivable	38,298,111	38,298,111	37,887,929	37,887,929
Due from brokers	76,627,788	76,627,788	985,857,825	985,857,825
Loans Receivable	-	-	-	-
	P314,342,943	P314,342,943	P1,188,251,845	P1,188,251,845

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

BALANCED	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Liabilities				
Accrued expenses and other payables	P79,884,250	P79,884,250	P707,041	P707,041
Payable to fund manager	38,072,495	38,072,495	41,086,507	41,086,507
Payable to fund manager	181,654,394	181,654,394		
	P299,611,139	P299,611,139	P41,793,548	P41,793,548

EQUITY	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	-	-	-	-
Cash in banks	P138,177,416	P138,177,416	P151,594,044	P151,594,044
Due from Broker	94,595,018	94,595,018	508,227,188	508,227,188
Dividends Receivable	2,942,945	2,942,945	9,587,940	9,587,940
Due from Related Parties	-	-	1,630,375	1,630,375
Accrued Interest Receivable	268,079	268,079	205,797	205,797
	P235,983,458	P235,983,458	P671,245,344	P671,245,344
Financial Liabilities				
Due to broker	P91,666,313	P91,666,313	P6,289,122	P6,289,122
Accrued expenses and other payables	70,396,638	70,396,638	663,620	663,620
Payable to fund manager	36,426,416	36,426,416	42,200,959	42,200,959
	P198,489,367	P198,489,367	P49,153,701	P49,153,701

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

MONEY MARKET	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	-	-	-	-
Held to Maturity Investment	P83,786,523	P83,786,523	-	-
Cash in banks	13,522,080	13,522,080	26,599,399	26,599,399
Due from related party	-	-	45,000	45,000
Accrued Interest Receivable	740,073	740,073	11,137	11,137
	P98,048,676	P98,048,676	P26,655,536	P26,655,536
Financial Liabilities				
Accrued expenses and other payables	P8,678,367	P8,678,367	P59,843	P59,843
Payable to fund manager	689,584	689,584	215,786	215,786
	P9,367,951	P9,367,951	P275,629	P275,629

GS	2014		2013	
	Carrying Amounts	Fair Values	Carrying Amounts	Fair Values
Financial Assets				
Financial assets at fair value through profit or loss	-	-	-	-
Cash in banks	P9,651,971	P9,651,971	P10,756,107	P10,756,107
Accrued Interest Receivable	5,370,005	5,370,005	6,144,825	6,144,825
	P15,021,976	P15,021,976	P16,900,932	P16,900,932
Financial Liabilities				
Payable to fund manager	P881,704	P881,704	P1,022,222	P1,022,222
Accrued expenses and other payables	1,116,658	1,116,658	130,951	130,951
	P1,998,362	P1,998,362	P1,153,173	P1,153,173

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DYNAMIC	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Financial assets at fair value through profit or loss				
Cash in banks	P10,887,915	P10,887,915	P495,859	P495,859
Accrued Interest Receivable	6,698	6,698	6,018	6,018
Dividends Receivables	673,320	673,320	375,000	375,000
Due from brokers	1,843,389	1,843,389	-	-
	P13,411,322	P13,411,322	P876,877	P876,877
Financial Liabilities				
Payable to fund manager	P10,821,018	P10,821,018	P3,655,348	P3,655,348
Accrued expenses and other payables	1,465,917	1,465,917	47,754	47,754
Due to brokers	87,318,885	87,318,885	-	-
	P99,605,820	P99,605,820	P3,703,102	P3,703,102

DOLLAR ADVANTAGE	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Financial assets at fair value through profit or loss	-	-	-	-
Cash in banks	\$5,229,825	\$5,229,825	\$2,489,118	\$2,489,118
Accrued Interest Receivable	121,135	121,135	39,046	39,046
	\$5,350,960	\$5,350,960	\$2,528,164	\$2,528,164
Financial Liabilities				
Accrued expenses and other payables	\$197,496	\$197,497	\$59,571	\$59,571
Payable to fund manager	119,479	119,480	75,148	75,148
	\$316,975	\$316,977	\$134,719	\$134,719

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

DOLLAR ABUNDANCE	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash in banks	\$879,313	\$879,313	\$88,818	\$88,818
Accrued interest receivable	224,692	224,692	273,757	273,757
	\$1,104,005	\$1,104,005	\$362,575	\$362,575
Financial Liabilities				
Accrued expenses and other payables	\$4,961	\$4,961	\$891,816	\$891,816
Payable to fund manager	111,643	111,643	55,654	55,654
	\$116,604	\$116,604	\$947,470	\$947,470

The fair values of the Companies' financial assets and financial liabilities are determined as follows:

Due to the short-term maturities of cash in banks, accrued interest receivable, payable to fund manager and accrued expenses, their carrying amounts approximate their fair values.

The fair value of loans receivable is determined based on the discounted cash flow analysis using interest rates for similar types instruments; 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 fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset, liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	BOND			BALANCED		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2014						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	P436,450,000	P436,450,000	-	P2,745,110,000	P2,745,110,000
Fixed-income securities	413,648,881	4,717,983,751	5,131,632,632	60,170,520	2,943,744,148	3,003,914,668
Investments in listed equity securities	-	-	-	10,934,293,419	-	10,934,293,419
	P413,648,881	P5,154,433,751	P5,568,082,632	P10,994,463,939	P5,688,854,148	P16,683,318,087
December 31, 2013						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	952,240,000	952,240,000	-	3,721,550,000	3,721,550,000
Fixed-income securities	969,630,741	4,050,773,279	5,020,404,020	153,531,820	3,092,975,329	3,246,507,149
Investments in listed equity securities	-	-	-	8,120,635,188	-	8,120,635,188
	P969,630,741	P5,003,013,279	P5,972,644,020	P8,274,167,008	P6,814,525,329	P15,088,692,337

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	EQUITY			MONEY MARKET		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2014						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	P1,177,930,000	P1,177,930,000	-	P143,900,000	P143,900,000
Fixed-income securities	-	-	-	-	-	-
Investments in listed equity securities	15,105,499,053	-	15,105,499,053	-	-	-
	P15,105,499,053	P1,177,930,000	P16,283,429,053	-	P143,900,000	P143,900,000
December 31, 2013						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	2,432,670,000	2,432,670,000	-	221,700,000	221,700,000
Fixed-income securities	-	-	-	-	-	-
Investments in listed equity securities	11,594,115,049	-	11,594,115,049	-	-	-
	P11,594,115,049	P2,432,670,000	P14,026,785,049	-	P221,700,000	P221,700,000

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	GS			DYNAMIC		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2014						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	P36,980,000	P36,980,000	-	P238,700,000	P238,700,000
Fixed-income securities	15,647,981	446,284,376	461,932,357	-	-	-
Investments in listed equity securities	-	-	-	3,353,831,687	-	3,353,831,687
	P15,647,981	P483,264,376	P498,912,357	P3,353,831,687	P238,700,000	P3,592,531,687
December 31, 2013						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	176,160,000	176,160,000	-	113,540,000	113,540,000
Fixed-income securities	43,866,234	369,834,064	413,700,298	-	-	-
Investments in listed equity securities	-	-	-	386,021,622	-	386,021,622
	P43,866,234	P545,994,064	P589,860,298	P386,021,622	P113,540,000	P499,561,622

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2014						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	\$3,670,000	\$3,670,000	-	\$1,651,700	\$1,651,700
Fixed-income securities	8,138,488	-	8,138,488	13,896,000	-	13,896,000
Investment in listed equity securities	51,700,594	-	51,700,594	-	-	-
	\$59,839,082	\$3,670,000	\$63,509,082	\$13,896,000	\$1,651,700	\$15,547,700
December 31, 2013						
Financial assets at fair value through profit or loss:						
Special savings deposits	-	10,570,900	10,570,900	-	4,021,800	4,021,800
Fixed-income securities	1,967,667	-	1,967,667	14,456,803	-	14,456,803
Investments in listed equity securities	32,582,795	-	32,582,795	-	-	-
	\$34,550,462	\$10,570,900	\$45,121,362	\$14,456,803	\$4,021,800	\$18,478,603

The fair values of special savings deposits are based on the quoted price of similar instruments. The fair values of investments in treasury notes are based on quoted prices in active market. Listed equity securities are valued at closing price in compliance with SRC Rule 52.1 Par. e, which states that securities shall be valued at the last sales price. If no sale of such security is made on that date, bid prices will then be considered as the closing price.

There were no transfers between different levels in 2012 and 2011.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

13. INCOME TAXES

Income tax expense pertains to current tax expense paid during the year. A reconciliation of the statutory income tax rate to effective income tax rate follows:

	BOND			BALANCED		
	2014	2013	2012	2014	2013	2012
Accounting Profit (Loss) before tax	P123,831,114	P10,357,976	P348,877,901	P2,001,886,943	(P773,316,575)	P2,340,755,512
Tax expense at 30%	37,149,334	3,107,393	104,663,370	600,566,082	(231,994,973)	702,226,654
Adjustment for income subject to lower tax rate	(29,990,676)	(31,864,435)	(28,495,008)	72,063,057	53,748,727	32,234,419
Tax effects of:						
Unrecognized net operating loss Carry-Over (NOLCO)	27,732,938	25,993,615	16,881,349	154,827,279	135,672,647	73,538,200
Unrecognized MCIT	417,796	697,247	934,492	31	1,464	754,944
Net realized loss (gains) on investments	(19,839,984)	(1,185,807)	(6,382,102)	(230,278,914)	(364,853,231)	(374,702,064)
Net unrealized loss (gains) on investments	-	-	-	(387,903,116)	-	-
Net unrealized fair value loss (gains) on investments	46,677,487	68,665,574	(25,217,533)	-	584,210,850	(314,497,494)
Dividend income exempt from tax	-	-	-	(79,043,300)	(67,147,500)	(43,568,379)
	P62,146,895	P65,413,587	P62,384,568	P130,231,119	P109,637,985	P75,986,279

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	EQUITY			MONEY MARKET		
	2014	2013	2012	2014	2013	2012
Accounting Profit (Loss) before tax	P2,675,727,817	P(1,110,786,494)	P1,736,891,696	P1,614,514	(P492,923)	P3,675,214
Tax expense at 30%	802,718,345	(333,235,948)	521,067,509	484,355	(147,877)	1,102,564
Adjustment for income subject to lower tax rate	105,663,602	90,127,140	48,147,805	248,499	(309,153)	(1,017,693)
Tax effects of:						
Unrecognized net operating loss Carry-Over (NOLCO)	150,983,300	129,886,282	43,219,433	832,836	1,037,175	1,813,261
Unrecognized MCIT	14,516	-	261,783	1,890	11,186	698
Net unrealized loss (gains) on investments	(220,631,716)	(207,920,397)	(299,466,544)	-	-	-
Net unrealized fair value loss (gains) on investments	(625,611,664)	494,311,372	(236,436,076)	-	-	172,308
Dividend income exempt from tax	(104,478,121)	(79,896,081)	(33,123,534)	-	-	-
	P108,658,262	P93,272,368	P43,670,376	P1,567,580	P591,331	P2,071,138

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	GS			DYNAMIC		
	2014	2013	2012	2014	2013	2012
Accounting Profit (Loss) before tax	P10,291,353	(P8,990,480)	P52,285,730	P281,678,463	(P50,709,173)	(P458,937)
Tax expense at 30%	3,087,406	(2,697,144)	15,685,719	84,503,538	(15,212,752)	(137,681)
Adjustment for income subject to lower tax rate	(2,920,502)	(3,441,725)	(4,531,932)	26,960,086	(1,484,692)	-
Tax effects of:						
Unrecognized net operating loss Carry-Over (NOLCO)	3,315,050	4,119,999	4,024,328	28,402,185	6,065,392	137,681
Unrecognized MCIT	3,835	-	-	-	-	-
Net unrealized loss (gains) on investments	(3,400,675)	(377,460)	(4,969,273)	(13,359,475)	3,345,503	-
Net unrealized fair value loss (gains) on investments	5,755,618	9,277,339	(1,119,642)	(91,237,545)	9,386,849	-
Dividend income exempt from tax	-	-	-	(8,044,625)	160,517	-
	P5,840,732	P6,881,009	P9,089,200	P27,224,164	P2,260,817	-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	DOLLAR ADVANTAGE			DOLLAR ABUNDANCE		
	2014	2013	2012	2014	2013	2012
Accounting Profit (Loss) before tax	\$22,450	\$3,868,097	\$2,333,962	\$1,046,055	(\$2,601,110)	\$1,922,076
Tax expense at 30%	6,735	1,160,429	700,189	313,817	(780,333)	576,623
Adjustment for income subject to lower tax rate	(23,514)	(2,735)	(19,703)	(13,980)	(46,203)	(8,557)
Tax effects of:						
Unrecognized net operating loss Carry-Over (NOLCO)	296,923	189,983	30,327	-	-	-
Unrecognized MCIT	3,898	2,581	8,604	-	-	-
Net unrealized loss (gains) on investments	(532,377)	(151,104)	(109,085)	(279,860)	258,306	-
Net unrealized fair value loss (gains) on investments	256,247	(1,195,789)	(601,382)	-	-	-
Dividend income exempt from tax	-	-	-	77,793	718,572	(432,032)
	\$7,912	\$3,365	\$8,950	\$97,770	\$150,342	\$136,034

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Details of the Companies' NOLCO are as follows:

BOND

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2011	2014	P40,003,309	-	(P40,003,309)	-
2012	2015	56,271,162	-	-	56,271,162
2013	2016	86,645,383	-	-	86,645,383
2014	2017	-	92,443,126	-	92,443,126
		P182,919,854	P92,443,126	(P40,003,309)	P235,359,671

BALANCED

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2011	2014	P187,755,657	-	(P187,755,657)	-
2012	2015	245,127,333	-	-	245,127,333
2013	2016	452,242,158	-	-	452,242,158
2014	2017	-	516,090,929	-	516,090,929
		P885,125,148	P516,090,929	(P187,755,657)	P1,213,460,420

EQUITY

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2011	2014	P115,277,870	-	(P115,277,870)	-
2012	2015	144,064,778	-	-	144,064,778
2013	2016	432,954,272	-	-	432,954,272
2014	2017	-	503,277,666	-	503,277,666
		P692,296,920	P503,277,666	(P115,277,870)	P1,080,296,716

MONEY MARKET

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2011	2014	P5,850,027	-	(P5,850,027)	-
2012	2015	6,044,203	-	-	6,044,203
2013	2016	3,457,250	-	-	3,457,250
2014	2017	-	2,776,121	-	2,776,121
		P15,351,480	P2,776,121	(P5,850,027)	P12,277,574

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

GS

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2011	2014	P13,752,555	-	P13,752,555	-
2012	2015	13,414,428	-	-	13,414,428
2013	2016	13,733,330	-	-	13,733,330
2014	2017	-	11,050,167	-	11,050,167
		P40,900,313	P11,050,167	P13,752,555	P38,197,925

DYNAMIC

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2012	2015	P458,937	-	-	P458,937
2013	2016	20,217,972	-	-	20,217,972
2014	2017	-	94,673,950	-	94,673,950
		P20,676,909	P94,673,950	-	P115,350,859

DOLLAR ADVANTAGE

Year Incurred	Year of Expiry	2013 Balance	Additions	Expired	2014 Balance
2012	2015	\$4,160,459	-	-	\$4,160,459
2013	2016	26,866,962	-	-	26,866,962
2014	2017	-	43,995,802	-	43,995,802
		\$31,027,421	\$43,995,802	-	\$75,023,223

Deferred income tax on NOLCO was not recognized because tax benefit is not likely to be realized in the future.

Substantial portion of the Companies' income is interest income arising from treasury notes and special savings accounts, which are already subjected to final withholding tax and therefore excluded in the computation of taxable income. Thus, with the exception of Bond, Balanced, Dollar Advantage and Dollar Abundance Funds, the Companies usually incur net taxable losses but are still liable to pay the minimum corporate income tax (MCIT) of 2% of gross income.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Details of MCIT are as follows:

BOND						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2011	P715,688	-	-	(P715,688)	-	2014
2012	934,492	-	-	-	934,492	2015
2013	697,247	-	-	-	697,247	2016
2014	417,796	-	-	-	417,796	2017
	P2,765,223	-	-	(P715,688)	P2,049,535	

BALANCED						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2011	P484,965	-	-	(P484,965)	-	2014
2012	46,867	-	-	-	46,867	2015
2013	1,464	-	-	-	1,464	2016
2014	31	-	-	-	31	2017
	P533,327	-	-	(P484,965)	P48,362	

EQUITY						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2010	P35,228	-	-	(P35,228)	-	2013
2011	226,555	-	-	(226,555)	-	2014
2014	14,516	-	-	-	14,516	2017
	P276,299	-	-	(P261,783)	P14,516	6,044

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

MONEY MARKET						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2012	P698	-	-	-	P698	2015
2013	11,186	-	-	-	11,186	2016
2014	1,890	-	-	-	1,890	2017
	P13,774	-	-	-	P13,774	

GS						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2014	P3,835	-	-	-	P3,835	2017

DOLLAR ADVANTAGE						
Year Incurred	Amount	Applied Previous Year	Applied Current Year	Expired	Unapplied	Expiry Date
2012	\$354,094	-	-	-	\$354,094	2015
2013	109,456	-	-	-	109,456	2016
2014	173,281	-	-	-	173,281	2017
	\$636,831	-	-	-	\$636,831	

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

14. CONTINGENCY

In the opinion of the Management and its legal counsels, the Companies have no pending legal cases as of December 31, 2013 and 2012 that may have a material effect on the Companies' financial position and results of operation.

15. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE (BIR) UNDER REVENUE REGULATIONS NO. 15-2010 and 19-2011

The following information on taxes, duties and license fees paid or accrued during the taxable year is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

Revenue Regulations No. 15-2010

Documentary Stamp Tax

Documentary stamp taxes paid or accrued by the Companies during 2013 represents taxes paid relative to the issuance of stock certificates by the Companies to its shareholders. The documentary stamp tax being paid by the Companies to the BIR includes those charged against the shareholder's investment for stock certificate issuances in excess of four (4) inter-fund transfers per calendar year.

DOCUMENTARY STAMP TAX	
	2014
Bond Fund	P709,415
Balanced Fund	P100,921
Philippine Equity Fund	P229,570
Money Market Fund	P27,504
GS Fund	P12,430
Dynamic Fund	P85,368
Dollar Advantage Fund	P77,147
Dollar Abundance Fund	P24,676

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Details of the Companies' other taxes and licenses and permit fees in 2014 are as follows:

OTHER TAXES AND LICENSES	BOND	BALANCED	PHIL. EQUITY
	2014	2014	2014
Filing and Registration fees	P5,050	P5,550	P1,894,710
Business tax	-	1,242,341	717,481
Residence or community tax	10,500	10,500	10,500
Permit fees	263,712	-	-
Others	500	-	500
	P279,762	P1,258,391	P2,623,191

OTHER TAXES AND LICENSES	MONEY MARKET	GS	DYNAMIC
	2014	2014	2014
Filing and Registration fees	P5,050	P26,870	P1,437,798
Business tax	15,031	36,974	13,336
Residence or community tax	1,867	10,500	1,000
Others	500	500	-
	P22,448	P74,844	P1,452,134

OTHER TAXES AND LICENSES	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	2014	2014
Filing and Registration fees	\$2,352,586	\$5,050
Business tax	35,779	12,386
Residence or community tax	10,446	500
Others	497	494
	\$2,399,308	\$18,430

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Withholding Taxes

The Companies' expanded withholding taxes paid or accrued during 2013 were mainly withholding taxes on the aggregate fees paid for the services rendered by SLAMCI.

WITHHOLDING TAX	
2014	
Bond Fund	P9,223,452
Balanced Fund	P36,501,209
Philippine Equity Fund	P33,648,445
Money Market Fund	P184,889
GS Fund	P775,823
Dynamic Fund	P1,078,649
Dollar Advantage Fund	P4,402,049
Dollar Abundance Fund	P1,141,877

Revenue Regulations No. 19-2011

Details of the Companies' other income earned are as follows:

OTHER INCOME	BOND	BALANCED	EQUITY
	Regular Rate	Regular Rate	Regular Rate
Revenues	P23,445,289	-	-
Direct Costs	3,216,991	-	-
Other Income	661,515	1,565	725,792
	P27,323,795	P1,565	P725,792

OTHER INCOME	MONEY MARKET	GS	DYNAMIC
	Regular Rate	Regular Rate	Regular Rate
Other Income	P94,493	P191,749	P144,933

OTHER INCOME	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	Regular Rate	Regular Rate
Revenues	\$10,092,521	-
Direct Costs	6,375,961	-
Interest Income	-	32,366,292
Other Income	4,947,495	200,995
	\$11,323,456	\$32,567,287

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

Details of the Companies itemized deductions incurred during the year are as follows:

	BOND	BALANCED	EQUITY
	Regular Rate	Regular Rate	Regular Rate
Professional fees	P270,234	P194,522	P117,645
Directors' fees	225,000	366,666	371,667
Commission	-	86,678,898	101,071,843
Clearing fees	-	14,408,002	16,965,929
Management fees	110,000,134	405,445,564	376,236,501
Printing and supplies	1,043,421	3,160,175	1,857,555
Taxes and licenses	989,177	1,359,312	2,852,761
Custodianship fees	441,233	3,162,872	3,551,156
Other expenses	363,740	1,316,483	978,401
	P113,332,939	P516,092,494	P504,003,458

	MONEY MARKET	GS	DYNAMIC
	Regular Rate	Regular Rate	Regular Rate
Professional fees	P87,360	P93,184	P233,359
Directors' fees	224,999	231,668	224,999
Commission	-	-	32,097,630
Clearing fees	-	-	5,558,710
Management fees	1,641,458	10,144,463	54,097,755
Printing and supplies	731,198	473,084	214,114
Taxes and licenses	49,952	87,274	1,537,502
Custodianship fees	14,195	37,365	664,638
Other expenses	121,452	174,878	190,176
	P2,870,614	P11,241,916	P94,818,883

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	Regular Rate	Regular Rate
Professional fees	\$243,539	\$92,254
Directors' fees	227,979	227,979
Management fees	47,476,381	13,642,727
Printing and supplies	1,967,510	3,641,918
Taxes and licenses	2,476,455	42,886
Custodianship fees	51,715	285,456
Other expenses	216,278	232,041
	\$52,659,857	\$18,165,261

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Companies were reviewed and endorsed by the Audit and Compliance Committee for the approval of the Board of Directors on March 20, 2014. The Board of Directors approved the issuance of the financial statements on March 20, 2014.

“

Our clients are happy because SLAMCI's mutual fund representatives are well trained to give them advice. This, combined with the well-managed and easily redeemable funds, contribute to SLAMCI's good image.

”

NANCY BALUYUT

Cypress Branch Manager and Mutual Funds Advisor since 2000

“

Throughout our partnership, SLAMCI has remained a valuable partner in serving the wealth management needs of our customers. SLAMCI has helped us remain responsive to customers' needs by delivering insightful and current market updates, as well as reliable and customer-friendly service. We look forward to more years of partnership with SLAMCI in delivering innovative and valuable product solutions to our customers.

”

STANDARD CHARTERED BANK

Bank Distributor since 2004

BOARD OF DIRECTORS AND OFFICERS

BOARD OF
DIRECTORS & OFFICERS



RIZALINA G. MANTARING

Director/Chairman (2007 to present)

Ms. Mantaring, is currently the Chairman of the nine Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc. (2009 to present), Sun Life Prosperity Dynamic Fund, Inc. (2012 to present) and Sun Life Prosperity Philippine Stock Index Fund, Inc. (December 2014), ("9 Sun Life Prosperity Funds"). She is also the Chairman of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present). She serves as the President & CEO of Sun Life of Canada (Philippines), Inc. ("SLOCP") (2009 to present), Sun Life Financial Plans, Inc. ("SLFPI") (2009 to present) and, a Director of the Sun Life Asset Management Company, Inc. ("SLAMCI") (2007 to present). Prior to the foregoing, Ms. Mantaring was Deputy President of the Sun Life Financial Philippines group of companies (2009) and Regional Chief Operations Officer of Sun Life Financial Asia (2008 to 2009). She also served as Chief Operating Officer of SLOCP (1999 to 2008) and Information Systems Head, Asia Pacific Division of the Sun Life Assurance Company of Canada (1992 to 1999). Ms. Mantaring received her Bachelor of Science in Electrical Engineering (cum laude) from the University of the Philippines and Master of Science in Computer Science from the State University of New York at Albany. She is also a Fellow, Life Management Institute (with distinction) and Associate, Customer Service (with honors).



MA. KARENINA M. CASAS

Director/ President (2009 to present)

Ms. Casas is currently the President and Director of the 9 Sun Life Prosperity Funds i.e., Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity Dynamic Fund, Inc. and Sun Life Prosperity Philippine Stock Index Fund, Inc. Ms. Casas also served as President of the 7 Funds in 2009. She is also the President of Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011, 2013 to present). She is also a member of the Board of Trustees of Sun Life Financial – Philippines Foundation, Inc. (2009 to present). She is currently the Chief Operations Officer of Sun Life Financial Philippines group. She served as the Chief Administration Officer of the Sun Life Financial Philippines group (2008 to 2014). She graduated with a BS Psychology degree from the Ateneo de Manila University. Ms. Casas also holds the designation of Professional, Customer Service and Associate, Customer Service from the Life Office Management Association ("LOMA").

BOARD OF DIRECTORS AND OFFICERS



VALERIE N. PAMA

President / Director (2011 to present)

Ms. Pama, is currently a Director of 7 Sun Life Prosperity Funds, i.e. Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., Sun Life Prosperity Dollar Abundance Fund, Inc. (2011 to present), Sun Life Prosperity Dynamic Fund, Inc. (2012 to present) and Sun Life Prosperity Philippine Stock Index Fund, Inc. (December 2014 to present). She is also a Director of the Grepalife Funds i.e. Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation (2011 to present). Ms. Pama was formerly the President of the Sun Life Prosperity Funds and the Grepalife Funds (2011 to 2012). She also served as the Chief Operating Officer of Sun Life Asset Management Company, Inc. (2011 to 2012) before being appointed as its President in 2013. Ms. Pama is a veteran banker, having been in the industry for 20 years. She started her career with Citibank N.A. in 1990 as a Management Associate, wherein she obtained exposure in various segments of the business, assuming progressively senior roles over the years. She had worked in treasury/capital markets, loans, equity sales, customer funding sales, brokerage and money market sales. By the time she retired from Citibank N.A. in 2009, Ms. Pama was the President of Citicorp Financial Services and Insurance Brokerage Inc. Ms. Pama has held the chairmanship of the Philippine Investment Funds Association (PIFA) since 2011. Ms. Pama is a graduate of the Ateneo de Manila University with a Bachelor of Science degree in Management Engineering. She obtained her MBA in International Business and Finance, with a minor in Business Economics from Katholieke Universiteit Leuven in Belgium. On her sophomore year in MBA, she was awarded With Distinction by the university for her exemplary academic performance.



OSCAR M. ORBOS

Independent Director (2000 to present)

Atty. Orbos is an Independent Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (2000 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2009 to present), Sun Life Prosperity Dollar Abundance Fund, Inc. (2009 to present) and Sun Life Prosperity Philippine Stock Index Fund, Inc. (December 2014 to present). Atty. Orbos has a distinguished public service career, which started with his election as Congressman (1987 to 1990 and 1992 to 1995) and then as Governor of the Province of Pangasinan (1995 to 1998). He also served as Secretary of the Department of Transportation and Communication (1990) and then as Executive Secretary (1990 to 1991) under the administration of President Corazon C. Aquino. Atty. Orbos also serves Chairman of the Board of Alpha Insurance & Surety Co., Inc. (2000 to present) and as Partner of Orbos Cabusora & Taguam Law Office (1998 to present). He obtained his BS Economics and Bachelor of Laws from the University of the Philippines.

BOARD OF DIRECTORS AND OFFICERS



NILO B. PEÑA

Director (1999 to present)

Atty. Peña is a Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. (since 2005) and Sun Life of Canada Prosperity Balanced Fund, Inc. (since 1999). He has actively and continuously engaged in the practice of law with the law firm Quasha Ancheta Peña & Nolasco (originally William H. Quasha & Associates), starting as an underbar (1959-1960), Associate, Partner and currently Senior Partner. He is a member of the Board of Trustees of the St. Luke's Medical Center, Inc. (since 1996) and a member of the Board of Directors of its subsidiary St. Luke's Medical Center (Global City), Inc. He is Chairman of the Medical Centers' Board Governance Committee. He is also a Trustee of St. Luke's College of Medicine (since 2004) and a Director of SLMC Global City MAB Corp. (since 2005). Atty. Peña is the Chairman of the Board of Trustees of the Standard Chartered Bank Employees' Retirement Fund (since 1992) and Corporate Secretary of QBE Insurance (Philippines), Inc. (since 1998). He was twice the Bar Examiner for Mercantile Law in the Supreme Court Bar Examinations (1997 and 2006). Atty. Peña is a product of the University of the Philippines High School (1953), Associate In Arts (1955) and Bachelor of Laws (1959).



ALELI ANGELA G. QUIRINO

Independent Director (2000 to present)

Atty. Quirino is an Independent Director of Sun Life of Canada Prosperity Balanced Fund, Inc. (2009 to present), Sun Life of Canada Prosperity Bond Fund, Inc. (2000 to present), Sun Life of Canada Money Market Fund, Inc. (2004 to present), Sun Life Prosperity Dynamic Fund, Inc. (2012 to present). She is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present). She is currently a Senior Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA Law) (2010). She also serves as Treasurer of ACCRAIN Holdings Corp. (2010), and as Director-Treasurer of SysNet Integrators, Inc. (2001 to present), EP2, Inc. (2003 to present), Ideawurx Inc. (2001 to present), and the Intellectual Property Foundation, Inc. (1998 to present), among others. She also serves as a Director of Fila Philippines, Inc. (1993 to present), Anglo-Eastern Crew Management (Phils.), Inc. (1999 to present), Hazama Philippines, Inc. (1995 to present), LNC (SPV)-AMC Corp. (2005 to present), LNC 3 Asset Management, Inc. (2006 to present), Plaka Athena Holdings Corporation (2005 to present) and New Pacific Resources Management (SPV-AMC), Inc. (2007 to present). She is the Chairman of the Intellectual Property Association of the Philippines (2009 to present), President of the Ateneo Law Alumni Foundation, Inc. (2008 to present) and Trustee-Corporate Secretary of Assumption College, Inc. (1996 to present). Atty. Quirino received her Bachelor of Arts and Bachelor of Science in Education (magna cum laude) from Assumption College and Bachelor of Laws (with honors) from the Ateneo de Manila University.

BOARD OF DIRECTORS AND OFFICERS



OSCAR S. REYES

Independent Director (2002 to present)

Mr. Reyes is an Independent Director of the Sun Life Prosperity Dollar Abundance Fund, Inc. (2004 to present), Sun Life Prosperity Dollar Advantage Fund, Inc. (2002 to present), Sun Life of Canada Prosperity GS Fund, Inc. (2011 to present), Sun Life Prosperity Money Market Fund, Inc. (2011 to present), Sun Life of Canada Prosperity Bond Fund, Inc. (2011 to present), Sun Life Prosperity Dynamic Fund, Inc. (2012 to present). He is also an Independent Director of the Grepalife Dollar Bond Fund Corporation, Grepalife Bond Fund Corporation, and Grepalife Fixed Income Fund Corporation ("Grepalife Funds") (2011 to present). His other positions are: member of the Advisory Board of the Philippine Long Distance Telephone Company (PLDT) and of the Board of Directors of the Bank of the Philippine Islands, Manila Water Co., Inc., Pepsi Cola Products Philippines, Inc. (Chairman), PLDT Communications and Energy Ventures, Inc., Basic Energy Corporation, Cosco Capital Inc. and Sun Life Financial Plans, Inc., among other firms. He is a Director of Manila Electric Company where he also holds the position of President and Chief Executive Officer. He is also President of Meralco PowerGen Corporation and Chairman of Meralco Industrial Engineering Services Corporation (MIESCOR), CIS Bayad Center, Meralco Energy, Inc. (MEI), Redondo Peninsula Energy, Inc., Miescor-rail Inc. and PacificLight Pte. Ltd. He served as Country Chairman of the Shell Companies in the Philippines and concurrently President of Pilipinas Shell Petroleum Corporation and Managing Director of Shell Philippines Exploration B.V. He is a member of the Board of Trustees of One Meralco Foundation, Inc., Pilipinas Shell Foundation, Inc., SGV Foundation, Inc. and El Nido Foundation, Inc. He completed his Bachelor of Arts degree in Economics at the Ateneo de Manila University in 1965 (Cum Laude) and did post-graduate studies at the Ateneo Graduate School of Business, Waterloo Lutheran University and the Harvard Business School.



MELITO S. SALAZAR, JR.

Independent Director (2014 - present)

Mr. Melito S. Salazar Jr. is an independent Director of Sun Life of Canada Prosperity GS Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc. and Sun Life Prosperity Philippine Stock Index Fund, Inc. (2014 to present). He is currently the Chairman and Director of the Inter-Asia Development Bank (2010 to present). He is also the Chairman and President of Quickminds Corporation (2011 to present), Chairman of Incite. Gov (2011 to present) and Omnipay (Formerly PVB Card, Inc.) (2014 to present). Among his other positions are: Director of PhilsFirst Insurance Company (2007 to present) and Concepcion Industrial Corporation (2013 to present); Vice-President of the Manila Bulletin (2006 to present); Editor-in-Chief of Philippine Rotary (2011 to present); Dean of Centro Escolar University, School of Accountancy and Management (June 2014 to present); Trustee of University of St. La Salle Bacolod (2009 to present) and Regent of Philippine Normal University System (2014 to present). Prior to these posts, he served as a Monetary Board Member of the Bangko Sentral ng Pilipinas (1999 to 2005), President of the Management Association of the Philippines (2013), President of the Financial Executive Institute of the Philippines (2005), and Chairman of the Chamber of Commerce of the Philippine Islands (2009 to 2012). Mr. Salazar is a BSBA and MBA graduate of the University of the Philippines and attended executive education and training programs at the Harvard Business School, Massachusetts Institute of Technology, University of North Carolina, Chapel Hill and INSEAD in France.

BOARD OF DIRECTORS AND OFFICERS



HONG THIAM ONG a.k.a RAYMOND ONG

Treasurer (2013 to 10 May 2015)

Mr. Ong is the Treasurer of the 8 Sun Life Prosperity Funds (September 2013 to 10 May 2015) and SLAMCI (September 2013 to 10 May 2015). He is also the Chief Financial Officer of SLOCPI (April 2013 to 10 May 2015). Prior to joining the aforementioned companies, he was the Chief Financial Officer of NXP Semiconductors (May 2011 to September 2012) and Microsoft Corporation in the Philippines (July 2007 to September 2010), Business Controller of Microsoft Operations Pte. Ltd. (July 2005 to June 2007) and Finance Controller of Philips Electronics in Singapore (June 1999 to May 2005). Mr. Ong has a Bachelor of Business (Accounting) from Monash University in Australia and is a qualified Certified Public Accountant.



JEMILYN S. CAMANIA

Corporate Secretary (2005 to present)

Atty. Camania is also the Corporate Secretary of SLOCPI (2010 to present), SLFPI (2010 to present), SLAMCI (2005 to present), Sun Life Holding Co. (2012), Sun Life Foundation (2012), the 8 Sun Life Prosperity Funds (2005 to present), GAMC (2011 to present), Great Life (2012), and the 3 Grepalife Funds (2011 to present). She also serves as Assistant Corporate Secretary of SLGFI (2012). She started at Sun Life as Assistant Counsel (2004), became its Counsel (2007 to 2011) and Senior Counsel (2011 to 2012). She is currently Sun Life's Deputy General Counsel (2012 to present). Prior to joining Sun Life, she worked as an Associate at the Cayetano Sebastian Ata Dado & Cruz Law Offices (2001 to 2004). Atty. Camania received her Bachelor of Arts in Psychology (1996) and Bachelor of Laws (2001) from the University of the Philippines. She was called to the Bar in 2002. She is also a Fellow, Life Management Institute (2010) and Professional, Customer Service (with honors) (2011) of LOMA.

BOARD OF DIRECTORS AND OFFICERS



ATTY. MARIA CECILIA V. SORIA

Assistant Corporate Secretary (2013 to present)

Atty. Soria is the Assistant Corporate Secretary of the 8 Sun Life Prosperity Funds (September 2013 to present), and the Grepalife Funds (September 2013 to present). Prior to joining these companies, she worked as Associate, later promoted to Senior Associate, at Tan Venturanza Valdez (May 2010 to August 2013), as Senior Associate at Reyes-Fajardo and Associates (2009 to 2010) and SGV & Co. (2008 to 2009), as Associate at Medialdea Ata Bello & Guevarra (2007-2008), and as Executive Assistant 6 at the Civil Service Commission (2006-2007). Atty. Soria received her Bachelor of Arts in Political Science and Bachelor of Laws from the University of the Philippines. She was admitted to the Philippine Bar in May 2007.



CONCHITINA D.L. GREGORIO

Compliance Officer (2014-Present)

Atty. Gregorio is the Chief Compliance Officer of SLOCPI, SLFPI, SLAMCI, the 8 Sun Life Prosperity Funds, SLGFI, GAMC, Great Life, and the 3 Grepalife Funds. Before joining Sun Life, Atty. Gregorio headed the Compliance Department of Metrobank Card Corporation where she implemented the company's programs on compliance, money laundering & terrorist financing prevention and corporate governance. Atty. Gregorio also spent a number of years as a capital markets specialist and held legal and compliance roles in both the Philippine Stock Exchange and Fixed-Income Exchange. Atty. Gregorio received her Juris Doctor Degree from the Ateneo de Manila University and was admitted to the Philippine Bar in 1992.

BOARD OF DIRECTORS AND OFFICERS



FABIEN JEUDY

Director/Chairman (2013 to present)

Mr. Jeudy is the Chairman of Sun Life Asset Management Company, Inc. and Grepalife Asset Management Corporation (2013 to present), Director of Sun Life of Canada (Philippines), Inc. (2012 to present), and Director of Sun Life Grepa Financial, Inc. (2011 to present). Mr. Jeudy brings over 25 years of life insurance and actuarial experience gained in Canada, the United States, Indonesia, the Philippines, Hong Kong and India. Since 1990, Mr. Jeudy has been a key player in the formation of two insurance companies, the restructuring of two others and in the introduction of a new line-of-business both in Canada and in Asia. Currently, Mr. Jeudy is SVP & Chief Operating Officer, Sun Life Financial Asia. He is responsible for the management and business oversight of Finance, Actuarial, Risk, Compliance, Legal, IT, Operations and Product Development for Sun Life Financial Asia. Prior to his present role, Mr. Jeudy has served in various capacities as an actuary, most recently as VP & Chief Actuary, Sun Life Financial Asia. As such, he was responsible for the overall integrity of all actuarial work for Sun Life Financial Asia, i.e., ensuring that such work is accurate, timely, meets all regulatory requirements, and delivers value not only in measuring results and risks, but also in providing insights to management for improving expected results and risk management.



RAFAEL M. ALUNAN III

Independent Director (2004 to present)

Mr. Alunan is an Independent Director of SLAMCI. Prior to this, he was an independent director of Sun Life of Canada Prosperity Balanced Fund, Inc. (1999 to 2009) and Sun Life Prosperity Dollar Advantage Fund, Inc. (2009). He currently serves as independent director of SLOCPI (2004 to present), SLFPI (2006 to present) and GAMC (2011 to present). He also serves as Trustee of Kilosbayan (2001 to present). He is also an independent director of Pepsi Cola Products Philippines, Inc. (2007 to present) and University of St. La Salle (2010 to present). Mr. Alunan has a distinguished career in private and public service. He is the Governor and Trustee of Management Association of the Philippines (2011 to present), and a Director of Rafael Alunan Agro-Development Inc. (1995 to present). He has served in the cabinets of Presidents Fidel V. Ramos and Corazon C. Aquino as Secretary of Interior and Local Government (1992 to 1996) and Secretary of Tourism (1989 to 1992), respectively. He has also served as President of First Philippine Infrastructure Development Corporation (1999 to 2009), Maynilad Water Services, Inc. (1999 to 2004), Manila Hotel (1998 to 1999), General Reliance Corporation (1986 to 1989), ATIK Trading International Corporation (1999 to 2000), and Kybernan Group, Inc. (1998 to 2002). He is a Fellow of the Institute of Corporate Directors (2009 to present). Mr. Alunan received his Bachelor of Arts (major in History and Political Science) and Bachelor of Science (major in Business Administration) from the De La Salle University, Master of Business Administration from the Ateneo De Manila University, and Master in Public Administration from Harvard University's John F. Kennedy School of Government.

BOARD OF DIRECTORS AND OFFICERS



ERLINDA S. ECHANIS

Independent Director (2009 to present)

Dr. Echanis is an Independent Director of SLAMCI. Before that, she was an independent director of the Sun Life Prosperity GS Fund, Inc. (2004 to 2009) and Sun Life of Canada Prosperity Balanced Fund, Inc. (1999 to 2009). She also serves as an Independent Director of GAMC. She is a distinguished member of the academe, having served as Dean of the UP Virata School of Business (formerly College of Business Administration, University of the Philippines). A Certified Public Accountant, she has been published locally and internationally on subjects such as the fundamentals of management, investment management, financial reporting, corporate finance and the Philippine stock market. She is also the President of Mayer Consultants, Inc. (1997 to present). Dr. Echanis received her Bachelor of Science in Business Administration (major in Accounting) (cum laude), Master of Business Administration and Doctor of Business Administration from the University of the Philippines.



MICHAEL GERARD D. ENRIQUEZ

Chief Investment Officer (2012 to present)

Mr. Enriquez is the Chief Investment Officer of Sun Life of Canada Philippines, Inc. (SLOCPI). As CIO, Michael is primarily accountable for the formulation and implementation of portfolio strategies for the life insurance, variable universal life (VUL), and various mutual funds managed under Sun Life of Canada Philippines, Inc. (SLOCPI) and its various subsidiaries. Moreover, he is tasked to continually enhance the capability of the investments organization to support the growing needs of the business and prepare the team for new initiatives in line with our quest of maintaining our leading position in the industry. He is member of the Philippine Leadership Team (PLT). Michael brings to the job over 15 years of solid and distinguished portfolio management experience gained from stints in various investment and financial services companies, namely, Citicorp Financial Services and Insurance Brokerage (CFSI), Philequity Management Inc., and ING Investment Management Inc. He was the Equities Portfolio Manager – Vice President of BPI Asset Management prior to joining Sun Life. Michael graduated from the Ateneo de Manila University (ADMU) with a Bachelor of Science degree in Management.

BOARD OF DIRECTORS AND OFFICERS



GERARD MARTIN F. ABAD

Head of Equities, Investments Department (2013 to present)

Mr. Abad joined Sun Life in February 2013 and presently handles all equity-related investment decisions for the group. He was formerly a senior investment officer at Banco de Oro's Trust and Investments Group and a manager for the Investments and Research Group of PNB Investments Limited, the country adviser of The First Philippine Fund, Inc. (a closed-end management investment company which commenced operations in November 1989 and was listed at the New York Stock Exchange). His work experience includes stints at AGJ Securities and Private Development Corporation of the Philippines. He has more than 20 years of securities analysis and portfolio management experience. Mr. Abad holds a Bachelor of Science degree major in Business Management from Ateneo de Manila University. He is currently a Director of the Fund Managers Association of the Philippines.



RITCHIE RYAN G. TEO, CFA

Head of Fixed Income (2014 to present)

Mr. Teo joined Sun Life in November 2014 as Head of Fixed Income. He is responsible in managing all fixed income portfolios. Prior to joining Sun Life, he was an AVP and Fixed Income Portfolio Manager at BPI Asset Management and Trust Group. He handled BPI Odyssey Fixed Income Funds, which were in the top quartile under his watch. His other responsibilities include monitoring and rebalancing the asset allocation of the asset management's discretionary accounts, as well as leading the liquidity team to ensure sufficient funding to maximize return on cash. In addition, he was part of the core group of ING Investment Management, which was later on acquired by BPI. He has more than 9 years of portfolio management experience. Mr. Teo, a CFA Charterholder since 2010, is also active in the CFA Institute of the Philippines and is a professor for its Level 1 Review Class since 2011. His other achievements include being one of the Asset's Most Astute G3 Bond Investor and Local Bond Investor for the Philippines since 2009. He graduated with honors from the Ateneo de Manila University with a degree in Management Engineering.

BOARD OF DIRECTORS AND OFFICERS



MOISES C. ESGUERRA III

Head of Portfolio Management (2005 to present)

Mr. Esguerra is the Head of Portfolio Management of the Investments Department of Sun Life of Canada (Philippines), Inc. (SLOCP) and is part of the Team that oversees the Philippine Equity Investments. Among the funds managed are the VUL Equity and Balanced Funds, My Future Funds, and the Dollar Advantage Funds of the Sun Life Asset Management Company, Inc. (SLAMC). He has over 6 years of experience in fund management and 7 years of experience as a research analyst in various foreign brokerage houses. Mr. Esguerra graduated from the Ateneo De Manila University with a BS Management-Honors degree and is a Level 2 Candidate for Chartered Financial Analyst.

BOARD OF DIRECTORS AND OFFICERS



MA. CHARINA M. FUENTES

Head of Strategic Development and Training (2012 to present)

Ms. Fuentes is currently the Head of Strategic Development and Training for Sun Life Asset Management, where product development, marketing, strategic initiatives, agency recruitment and training are under her purview. Prior to joining Sun Life Asset Management in 2012, Ms. Fuentes spent more than 10 years in the banking industry in a variety of functions, the latest of which was with Rizal Commercial Banking Corporation (RCBC) as Vice President and Head of Corporate Sales for its Treasury Group. Before moving to RCBC in 2009, Ms. Fuentes was with the Treasury Group of Australia and New Zealand Banking Group Ltd. (ANZ) and Citibank N.A. prior to that. Ms. Fuentes was also a regular lecturer at the Ateneo de Manila University's John Gokongwei School of Management until 2010. She is likewise a Certified Treasury Professional designated by the Bankers Association of the Philippines (BAP) and a Fixed Income Salesperson licensed by the Securities and Exchange Commission (SEC). Ms. Fuentes completed her undergraduate degree in Management Engineering from the Ateneo de Manila University in 1998. She obtained her MSc in International Securities, Investments and Banking (With Distinction) in 2007 from the University of Reading's ICMA Centre in the United Kingdom through the British Chevening Scholarship Programme.



MA. GORETTI I. JIMENEZ

Vice President and Head of Agency Sales (2005 to present)

Ms. Jimenez is currently the Vice President and Head of Agency Sales for SLAMCI. Ms. Jimenez brings with her over 20 years of banking experience, starting with her first job in SGV and Co. where she was assigned to the Banking Group. Prior to joining SLAMCI in March 2005, Ms. Jimenez was in various positions in the Trust Department of Equitable PCI Bank (now Banco De Oro) handling corporate portfolio management and account administration, and eventually became Vice President and Head of the Personal Trust Division. She is a graduate of University of the East with Bachelor of Science degree in Business Administration and Accountancy (magna cum laude). She is a Certified Public Accountant, a Registered Financial Planner, and has finished the Trust Operations and Investment course of the Trust Institute Foundation of the Philippines.



GERALD L. BAUTISTA

Head of Bank and Alternative Distribution Channel (2008 to present)

Mr. Bautista is currently the Head of Bank & Alternative Distribution Channel for SLAMCI. He joined the company in 2008 and has been instrumental for the growth and expansion of the bank channel business for Sun Life. Mr. Bautista has been in the mutual fund industry for more than a decade. Prior to joining the financial sector, he had a short stint with the government under the Foreign Service Institute, Dept. of Foreign Affairs as a Research Analyst. Thereafter, he joined the industry as a Business Development Officer and subsequently handled Institutional Sales for Philam Asset Management, Inc. Mr. Bautista moved to the banking industry with Standard Chartered Bank, handling Trust Marketing functions and was promoted as Product Manager handling various financial instruments, such as mutual funds, structured notes, time deposits and bancassurance products. He is a graduate of De La Salle University, Manila with a Bachelor of Arts degree in Political Science. He took his higher education at Oxford Brookes University Business School in Oxford, United Kingdom where he obtained a Master's degree in Business Administration focusing on Global Marketing Strategy.

CUSTOMER CENTERS AND FINANCIAL STORES

“

In the next 15 years, I hope SLAMCI will be the leader in the asset management business and for it to achieve sound financial growth for the shareholders of the various funds. It is further hoped that the funds will reach all regions of the country to enable SLAMCI in helping achieve financial stability to as many Filipinos as possible.

”

ATTY. NILO B. PEÑA

Independent Director of the Sun Life Prosperity Funds

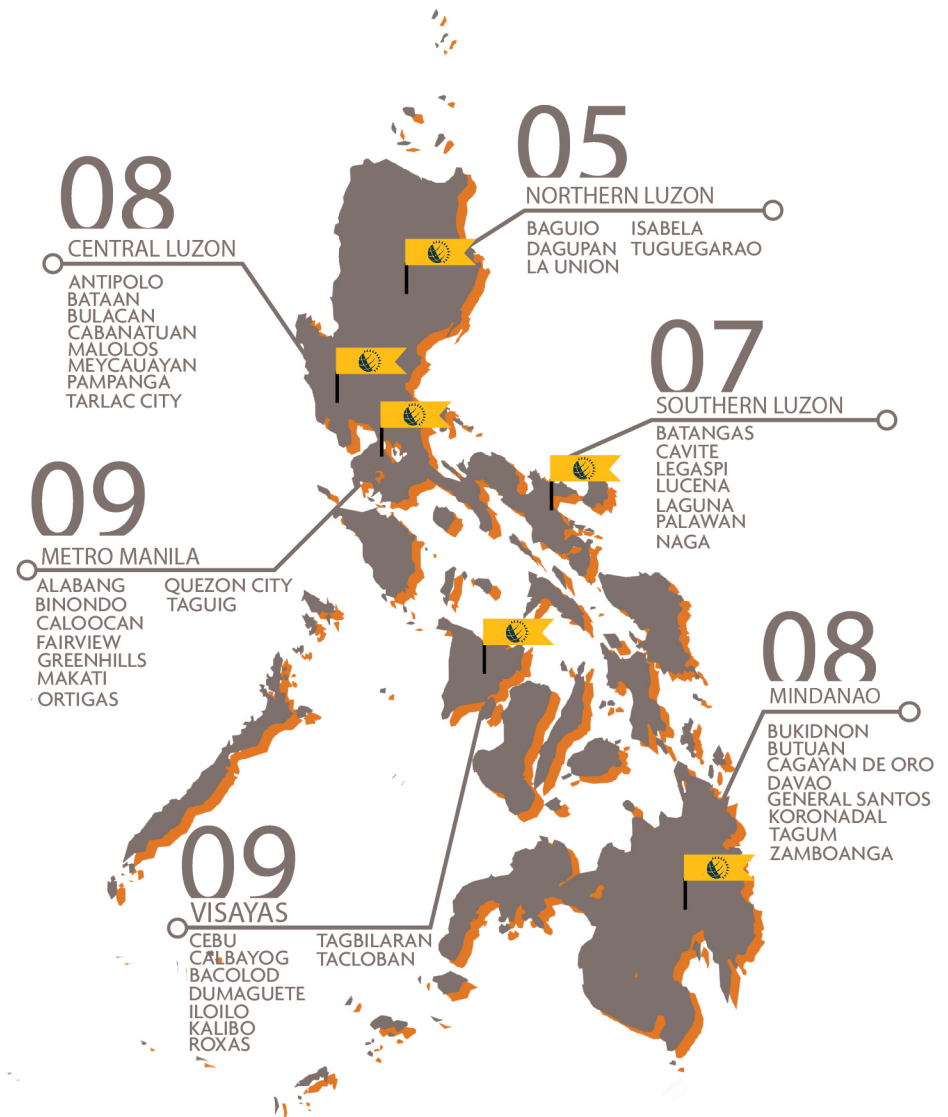
“

My hope is for SLAMCI, through diligent management of invested assets, to provide the Filipino investor the returns that will help them enjoy a better quality of life. I also hope that SLAMCI will be a strong foundation to be a significant contributor in the peace, progress and prosperity of the Philippines.

”

MELITO S. SALAZAR JR.

Independent Director of the Sun Life Prosperity Funds



SUN LIFE ASSET MANAGEMENT SHINES BRIGHTER AT 15

47 B

ASSETS UNDER MANAGEMENT
HIGHER THAN INDUSTRY GROWTH IN 2014

LARGEST

NON-BANK AFFILIATED
ASSET MANAGEMENT COMPANY
BALANCED FUND
IN THE MARKET

INDUSTRY LEADERSHIP

54 AWARDS

FROM THE PHILIPPINE INVESTMENT
FUNDS ASSOCIATION FROM 2006-2013

MULTI-AWARDED FUND MANAGERS

XCELLENCE

60 K LOYAL CLIENTS

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