

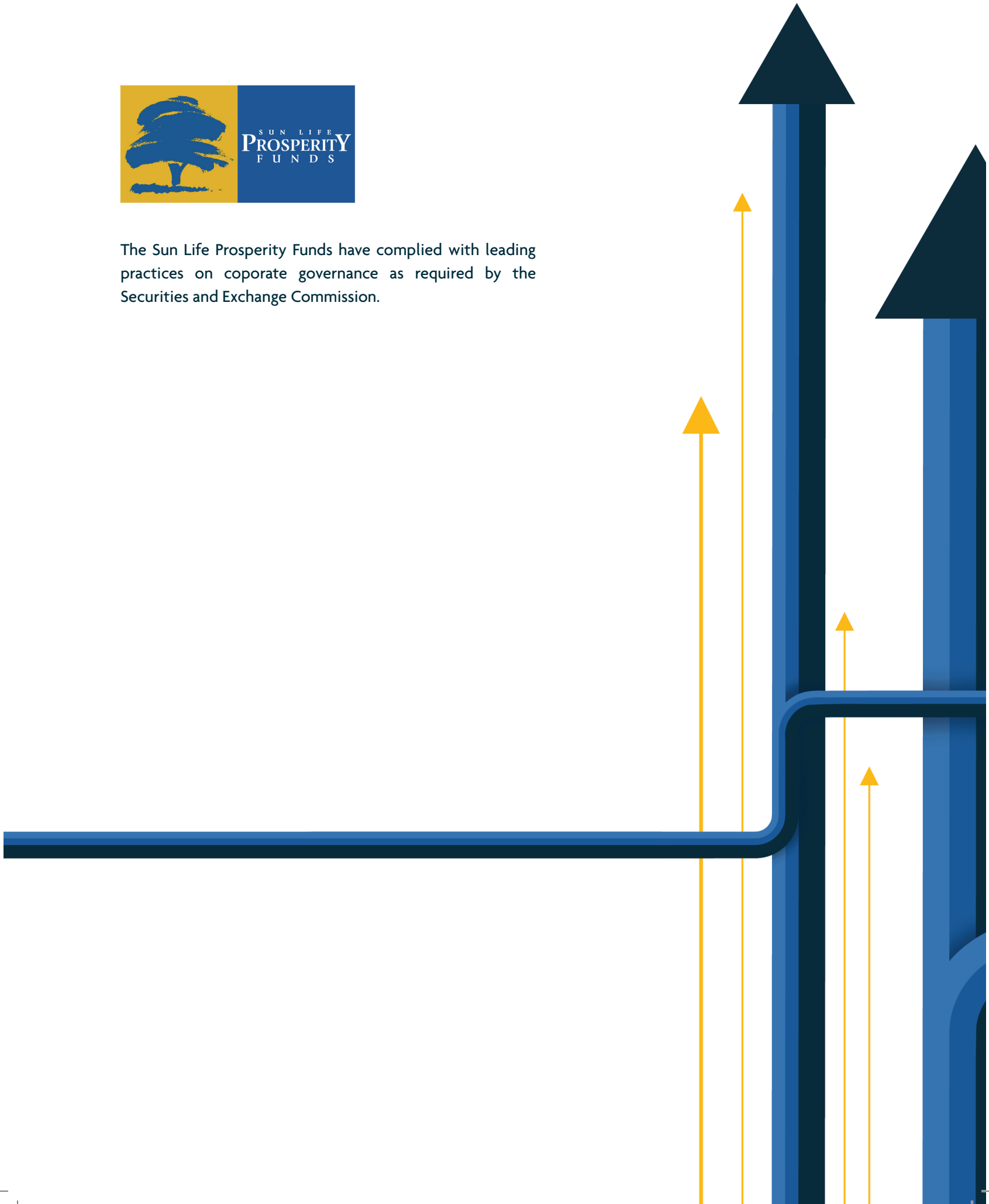
2009
PROSPERITY FUNDS
ANNUAL REPORT



FORGING
AHEAD



The Sun Life Prosperity Funds have complied with leading practices on corporate governance as required by the Securities and Exchange Commission.



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LETTER TO SHAREHOLDERS

To my Fellow Shareholders:

After almost a year and a half of market turbulence brought about by the global financial crunch, 2009 paved the way for a refreshing scenario when conditions perked up and investors' confidence restored.

Philippine business returned to its active state against a backdrop of an improved economic and financial landscape marked by an increase in real consumer spending, lower inflation rates, and a surge in productivity levels.

All these positive events made a significant impact on the performance of the Sun Life Prosperity Funds which posted healthy gains in major aspects.

Philippine Equity and Balanced Funds posted double-digit return on investment (ROI) for the full year. The Philippine Equity Fund had a 43.5% ROI for 2009, while the Balanced Fund gained 21.7%. On the fixed income funds, the GS Fund was the best performer in its category giving a full-year return of 7.61%, while the Bond Fund posted an increase of 5.67%, which is better than its peers.

The performance of the Dollar Funds was equally promising. The Dollar Abundance Fund posted a significant double-digit ROI of 16.31% for the full year, while the Dollar Advantage Fund gained 9.47%. Assets Under Management (AUM) jumped to P15.08 Billion in 2009, from the previous year's P12.56 Billion, up by 20.11%.


Although we have seen very good signs for a full recovery, we remain steadfast in our disciplined approach of conducting our business with prudence and vigilance, and continue to be more attuned to your changing needs. We do not eliminate the fact that there will be more challenges ahead but we are optimistic that we can overcome these challenges for as long as we keep faith in our ability to achieve our goals.

Moving forward, we will forge ahead by seizing opportunities that will ensure maximum returns for your investments while managing risks.

With you as our partners in this journey, we will prevail.

Thank you for your most valuable support!

Sincerely,



Ben Thomas P. Panares
President
Sun Life Property Funds

2009 GENERAL FINANCIAL MARKET REVIEW

Conditions in global financial markets perked up slowly in 2009 with market indicators pointing to a slackening tempo in economic contraction and improved sentiment among investors. Overseas, aggressive monetary policy action combined with hefty fiscal stimulus packages gained traction and somehow stimulated consumption. Still, risks of deflation remained fairly elevated and key imbalances still need to be addressed. To be sure, the deceleration in the pace of economic contraction did not necessarily translate into economic recovery.

Nonetheless, this was enough for the Philippine equity market to post its best run so far in recent memory, as the benchmark Philippine Equity Index (PSEi) closed the year up 63%, to 3,052.68 points. Equity trading in 2009 was characterized by rather volatile trading, with market movement mainly event-driven and stock-specific, but with a strong upward bias. We note that ample liquidity in the system provided a firm base for the market for most of the year. Local investors provided most of the action for equities, as they comprised approximately two-thirds of the PSEi's traded volumes.

Moving in lockstep with the monetary easing by the central banks of major world economies, the local Monetary Board (MB) slashed key policy rates by a cumulative 200 bps starting in December 2008 to a new low of 4% in July last year. Monetary

authorities highlighted that monetary settings were appropriately attuned to the outlook for inflation and domestic demand. It also gave broad hints of a possible shift to a neutral stance after maintaining policy rates for the balance of the year.

While the worst of the global recession may be over, recovery prospects remained ambiguous as external demand weakness persisted. The higher fiscal deficit was inevitable as the economy reeled under the weight of weaker global economic growth, with tax collections and revenues falling short of targets. A sizeable fiscal gap was incurred despite government efforts to curb spending.

For most in Asian Emerging Markets, external vulnerability has diminished on the back of improved trade balances, IMF liquidity support and renewed risk appetite. Overall, Philippine dollar bond prices proved resilient and benefited from renewed positive sentiment for Asian sovereign bonds despite intermittent episodes of profit taking particularly towards year-end.

Moody's Investors Service upgraded the Philippines' credit rating by a notch, citing the country's healthy financial system and resilience against the impact of the global recession. The new rating is now Ba3 from the previous B1, or three notches below investment grade. The sovereign outlook was also changed to "stable" from "positive."

Sun Life of Canada Prosperity Bond Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Optimum levels of cash are maintained to support investment and client liquidity requirements.

FINANCIAL RESULTS

The 2009 yearend AUM was 11% higher as compared to the AUM as of yearend 2008 mainly due to improved market position and issuance of redeemable shares including those tagged as deposit for future subscriptions, if any, in the current year. In 2009, the total investments of PHP854 Million exceeded total redemptions of PHP713 Million, resulting in net assets of PHP2.8 Billion at the end of the year.

Gross investment income for the year amounting to PHP242 Million was 20% higher than that of 2008, which had posted PHP201 Million mainly due to gain from pre- termination of borrower's loan and realized gain on investments. The decrease in unrealized loss by PHP68 Million, from PHP75 Million in 2008 to PHP7.5 Million loss in 2009, led to an increase of PHP113 Million total comprehensive income, from PHP29 Million in 2008 to PHP142 Million this year.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income nor loss that did not arise from the Fund's continuing operations.

OUTLOOK

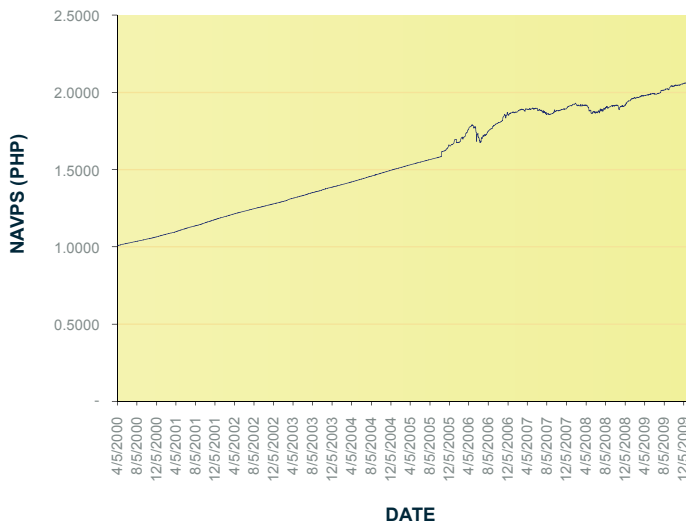
While the Monetary Board's recent press statements does not hint of any exit strategy just as yet, it is expected to address liquidity risks induced by the expected rise in money supply due to election spending and the seasonal rise in the conversion of dollar remittances in 1H10.

An exit strategy could be heralded by a reversal of expansionary liquidity measures implemented way back in November 2008. Bank reserve requirements could be raised from 19% to 21% ostensibly to mop up excess liquidity, and followed perhaps by policy rate adjustments. The rate hikes would not only keep a lid on inflation but also ease potential pressure on the peso in case the US Federal Reserve starts to hike its own policy rates.

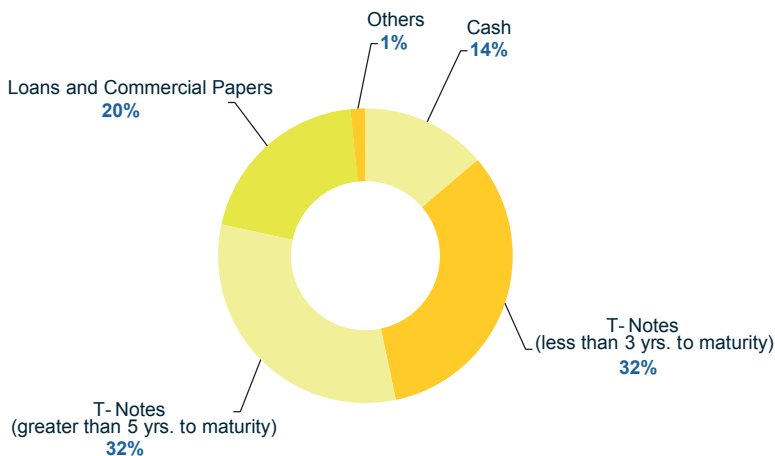
With bearish expectations of a bigger fiscal slippage in 2010, the country's borrowing mix would be extremely crucial against the backdrop of heightened political uncertainty related to the May presidential elections. In addition to the usual dollar debt issues, non-traditional external financing such as the USD500 million Samurai bond float with JBIC guaranty and a possible Eurobond issue would help ease market worries on rising supply risk and steeper bond yield curve.

FORGING AHEAD

HISTORICAL PERFORMANCE



PORTFOLIO ASSET ALLOCATION



2009 PERFORMANCE REVIEW

Lower interest rates augured well for bond asset valuation for the most part of the year. Opportunistic bond purchases during the global financial market meltdown in late 2008 earned hefty financial gains in the wake of the subsequent monetary easing in 2009.

In 2009, the strategy shifted towards the lengthening of the portfolio asset duration and aggressive reduction of cash levels. No loans were booked during the year to sustain portfolio liquidity.

Return on Investment (ROI) for the year was 5.67% y-o-y, higher than 1.65% recorded in 2008. Also, Net Asset Value per Share (NAVPS) also closed higher at PHP2.0567 compared to PHP1.9463 in the previous year.

Sun Life of Canada Prosperity Balanced Fund, Inc.

INVESTMENT APPROACH

The Balanced Fund's more modest gains compared to the full equity-weighted funds are consistent with its aim of having a less risky and aggressive nature. Coming into 2009, the Fund was only 36% invested in equities and 38% invested in fixed income securities, with the rest in cash and short-term placements. Given the improving equity market conditions as the year progressed, the Fund's allocation was adjusted accordingly. By year's end we note that cash and marketable securities comprised 36% of the fund's assets, with its equity position at a higher 64% of total assets.

FINANCIAL RESULTS

The Fund registered a 16% growth in net assets from PHP6.6 Billion in 2008 to PHP7.6 Billion in 2009. PHP919 Million came from issuance of redeemable shares including those tagged as deposit for future subscriptions, if any, PHP1.4 Billion from net investment income inclusive of unrealized appreciation of equity and fixed income holdings. Redemptions including redemptions of investments tagged as deposits for future subscriptions amounted to PHP 1.2 Billion during the period.

Gross investment income in 2009 was PHP381 Million as the Fund had cashed in on gains from the stock market resulting in an increase in gross investment income from the PHP795 Million loss posted in the same period last year. With the further recognition of unrealized gains from the marked-to-market valuation of the Treasury Notes and investment in listed equities amounting to PHP1.2 Billion, total comprehensive income for 2009 increased by PHP3.7 Billion from the PHP2.4 Billion loss posted in 2008.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income nor loss that did not arise from the Fund's continuing operations.

OUTLOOK

With the onset of 2010, we expect a more modest performance from both the equity and fixed income markets, one driven by fundamentals compared to the liquidity and event-driven rise in 2009. Likewise, the expected shift of monetary authorities to a more neutral interest rate stance will likely temper any further gains from falling interest rate yields. Apart from these, market performance will also be underpinned by three major factors coming into play - the May 2010 elections, the budget deficit and the possible effects of a renewed spike in inflation from food and commodity price increases.

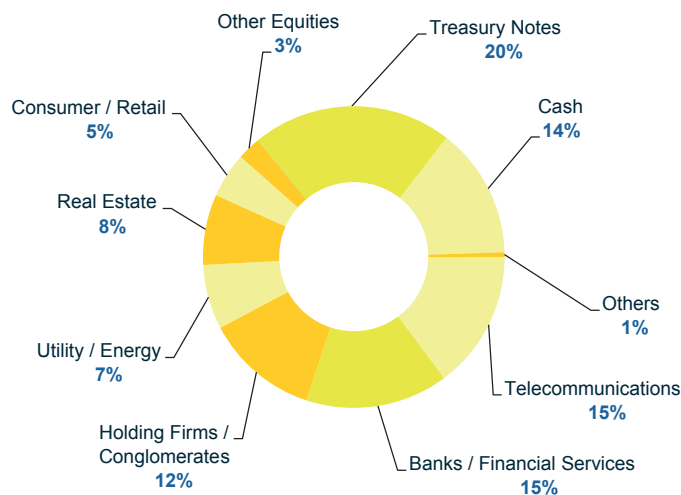
Of the three, the result of the elections will be the most awaited, as this particular election is widely seen as a pivotal event. A credible election result will likely be viewed positively. On the other hand, the market will not be very forgiving of a controversy-laden election. The budget deficit and inflation figures also bears watching, as this would affect pump priming efforts of the government and will bear heavily on interest rates should the government start crowding out the private sector and the Bangko Sentral ng Pilipinas (BSP) gradually shifts its focus from growth to tackling inflation.

FORGING AHEAD

HISTORICAL PERFORMANCE



PORTFOLIO ASSET ALLOCATION



2009 PERFORMANCE REVIEW

The financial markets posted a relatively good run for 2009, as both equity and fixed income markets perked up after a tumultuous 2008. The Philippine Equity market had its best run so far in recent memory, as it closed the year up 63%. In all, 2009 was characterized by volatile trading, with market movement mainly event-driven and stock-specific. We note that ample liquidity in the system provided a firm base for the equity market for most of the year. Likewise, the concerted monetary easing efforts of central banks to stimulate growth translated to falling yields for fixed income instruments. As such, lower interest rates augured well for the Fund's bonds position for the most part of the year.

Coming from a volatile 2008, the Balanced Fund maintained its defensive asset allocation program, given the lingering uncertainties in local and overseas financial markets. Nonetheless, the Fund posted a 21.7% increase in its NAVPS, to PHP2.0123/ share.

Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

INVESTMENT APPROACH

The relative underperformance of the Equity Fund in 2009 (compared to the benchmark PSEi) was mainly due to its more conservative stance coming into 2009. The Fund came into 2009 with a relatively lighter equity investment exposure of 63%, which was geared to still minimize any residual market volatility. As the year progressed, the Fund's equity exposure was gradually increased, ending the year at approximately 82% invested in equities.

FINANCIAL RESULTS

The Fund increased its AUM by 55%, from PHP2 Billion in 2008 to PHP3 Billion in 2009. The increase is significantly attributed to the PHP1.2 Billion issuance of redeemable shares including those tagged as deposit for future subscriptions, if any, and PHP849 Million total comprehensive income, inclusive of unrealized appreciation of equity and fixed income holdings. Redemptions including redemptions of investments tagged as deposits for future subscriptions amounting to PHP986 Million were recorded during the period.

Gross investment income increased by PHP535 Million from a PHP452 Million loss in 2008 to a PHP84 Million income in 2009 due to the decrease in realized loss from the trading of listed stocks. With the further recognition of unrealized gains from the marked-to-market valuation of the Treasury Notes and investment in listed equities amounting to PHP828 Million, total comprehensive income for 2009 increased by PHP2.1 Billion from PHP1.2 Billion loss posted in 2008.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income nor loss that did not arise from the Fund's continuing operations.

OUTLOOK

With onset of 2010, we expect a more modest performance from the market, one driven by fundamentals compared to the liquidity and event driven rise in 2009. Apart from these, market performance will also be underpinned by three major factors coming into play - the May 2010 elections, the budget deficit and the possible effects of a renewed spike in inflation from food and commodity price increases.

Of the three, the result of the elections will be the most awaited, as this particular election is widely seen as a pivotal event. A credible election result will likely be viewed positively. On the other hand, the market will not be very forgiving of a controversy-laden election. The budget deficit and inflation figures also bears watching, as this would affect pump priming efforts of the government and will bear heavily on interest rates should the government start crowding out the private sector and the Bangko Sentral ng Pilipinas (BSP) gradually shifts its focus from growth to tackling inflation.

FORGING AHEAD

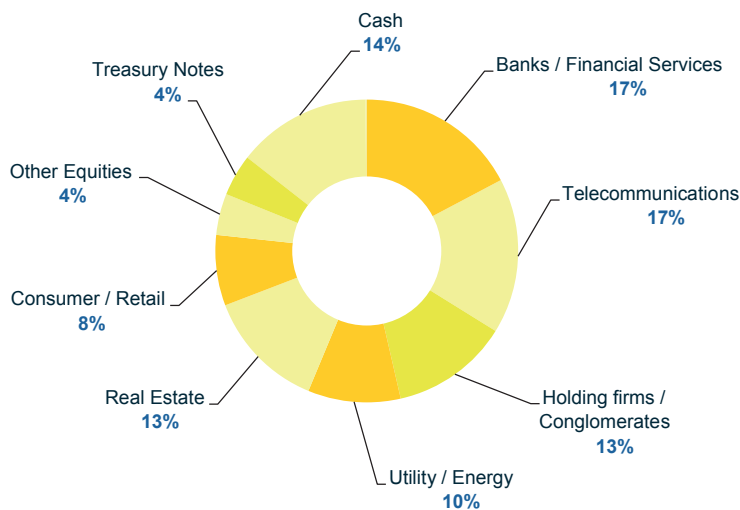
HISTORICAL PERFORMANCE



2009 PERFORMANCE REVIEW

The Philippine equity market had its best run so far in recent memory, as it closed the year up by 63%. In all, 2009 was characterized by volatile trading, with market movement mainly event-driven and stock-specific. We note that ample liquidity in the system provided a firm base for the market for most of the year. Coming from a volatile 2008, the Equity Fund came into 2009 less aggressively positioned given the lingering uncertainties in local and overseas financial markets. Nonetheless, despite the more conservative bent, the Fund managed to still post a 43.5% increase in its NAVPS, to PHP1.8490/share.

PORTFOLIO ASSET ALLOCATION



Sun Life Prosperity Money Market Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Optimum levels of cash are maintained to support investment and client liquidity requirements.

FINANCIAL RESULTS

The Fund's net assets decreased by 44% from PHP528 Million in 2008 to PHP295 Million in 2009. The decline was mainly due to redemptions of shares including those tagged as deposits for future subscriptions amounting to PHP668 Million coupled with a decrease in total comprehensive income in 2009 in the amount of PHP5.5 Million from PHP 11.9 Million in 2008 to PHP 6.4 Million in 2009.

Gross investment income of PHP13 Million is 40% lower than the previous year's PHP22.5 Million due to maturities of investments held by the Fund. Total operating expenses for 2009 were 25.6% lower than 2008 mainly due to lower management fee expense and taxes/licenses paid in the current year. A decrease in interest income in 2009 contributed mainly to the decrease in total comprehensive income for the year.

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OUTLOOK

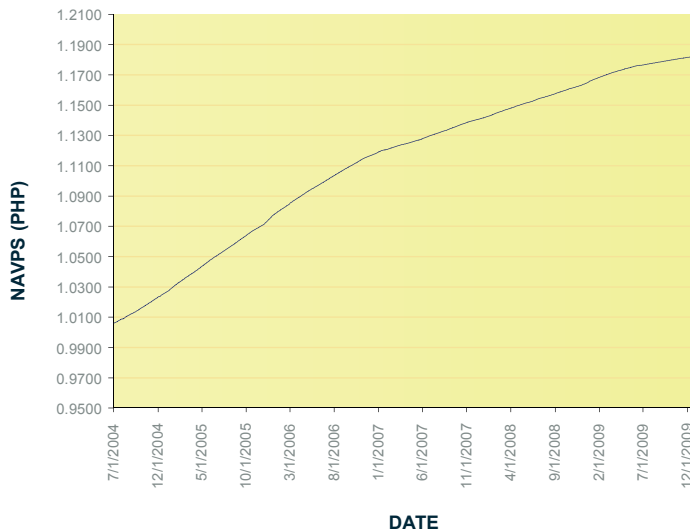
While the Monetary Board's recent press statements does not hint of any exit strategy just as yet, it is expected to address liquidity risks induced by the expected rise in money supply due to election spending and the seasonal rise in the conversion of dollar remittances in the 1st half.

An exit strategy could be heralded by a reversal of expansionary liquidity measures implemented way back in November 2008. Bank reserve requirements could be raised from 19 to 21% ostensibly to mop up excess liquidity, and followed perhaps by policy rate adjustments. The rate hikes would not only keep a lid on inflation but also ease potential pressure on the peso in case the US Fed starts to hike its own policy rates.

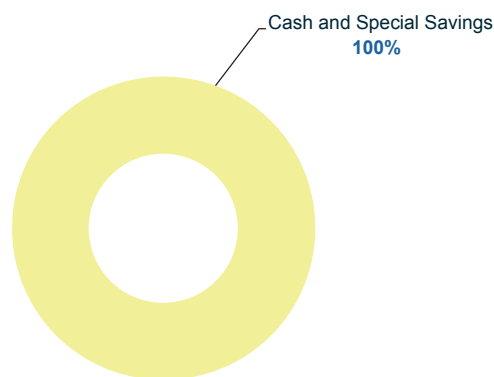
With bearish expectations of a bigger fiscal slippage in 2010, the country's borrowing mix would be extremely crucial against the backdrop of heightened political uncertainty related to the May presidential elections. In addition to the usual dollar debt issues, non-traditional external financing such as the US\$500 million Samurai bond float with JBIC guaranty and a possible Eurobond issue would help ease market worries on rising supply risk and steeper bond yield curve.

FORGING AHEAD

HISTORICAL PERFORMANCE



PORTFOLIO ASSET ALLOCATION



2009 PERFORMANCE REVIEW

The cumulative 200 bps cut in the Bangko Sentral ng Pilipinas' (BSP) policy rates sent money market rates in a tailspin even as markets remained highly liquid as ever. Return on Investments (ROI) for the year was 1.39% y-o-y, lower than 2.14% in 2008. In passing, money market rates for the year were generally lower following the 200bps cumulative cut in BSP's policy rates.

Prospects for accrual type investments could prove interesting just as policy bias shifts to tightening mode to temper mounting liquidity risks. Market liquidity is expected to rise further due to election spending and the seasonal upsurge in the conversion of dollar remittances in 1H10. In passing, political uncertainty arising from the May presidential elections could stir investors to stay in cash and other near-cash instruments.

Sun Life Prosperity GS Fund, Inc.

INVESTMENT APPROACH

Investment mandate focuses on investing in high yield, investment grade assets with an overall risk profile of less than average. Private lending is restricted to prime corporate issues and collateral is required as practicable. Optimum levels of cash are maintained to support investment and client liquidity requirements.

FINANCIAL RESULTS

Net assets of the Fund stood at PHP199 Million by the end of 2009, 171% higher over the PHP73 Million reported as at the end of 2008. PHP173 Million came from new issuances of shares of stocks while another PHP7 Million came from net investment income for the period including unrealized appreciation of Treasury Notes held. Redemptions totaling PHP55 Million were recorded during the year.

Gross investment income was 65% higher in 2009 due to the higher volume of investible funds brought about by the higher AUM, better interest rates and market prices of Treasury Notes compared to investments maintained by the Fund in 2008. Total operating expenses on the other hand increased by 31% due to the higher AUM. With the further recognition of unrealized gains from the marked-to-market valuation of the Treasury Notes amounting to PHP4 Million, total comprehensive income for 2009 was PHP 7.6 Million higher compared to total comprehensive loss posted in 2008.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

There are no significant elements of income nor loss that did not arise from the Fund's continuing operations.

OUTLOOK

While the Monetary Board's recent press statements does not hint of any exit strategy just as yet, it is expected to address liquidity risks induced by the expected rise in money supply due to election spending and the seasonal rise in the conversion of dollar remittances in the 1st half.

An exit strategy could be heralded by a reversal of expansionary liquidity measures implemented way back in November 2008. Bank reserve requirements could be raised from 19 to 21% ostensibly to mop up excess liquidity, and followed perhaps by policy rate adjustments. The rate hikes would not only keep a lid on inflation but also ease potential pressure on the peso in case the US Fed starts to hike its own policy rates.

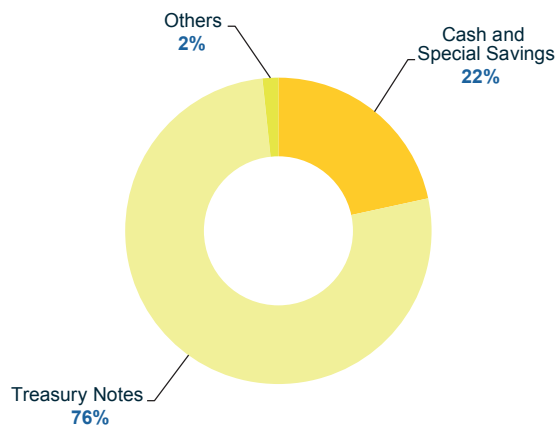
With bearish expectations of a bigger fiscal slippage in 2010, the country's borrowing mix would be extremely crucial against the backdrop of heightened political uncertainty related to the May presidential elections. In addition to the usual dollar debt issues, non-traditional external financing such as the US\$500 million Samurai bond float with JBIC guaranty and a possible Eurobond issue would help ease market worries on rising supply risk and steeper bond yield curve.

FORGING AHEAD

HISTORICAL PERFORMANCE



PORTFOLIO ASSET ALLOCATION



2009 PERFORMANCE REVIEW

Lower interest rates augured well for bond asset valuation for the most part of the year. Opportunistic bond purchases during the global financial market meltdown in late 2008 earned hefty financial gains in the wake of the subsequent monetary easing in 2009.

In 2009, the strategy shifted towards the lengthening of the portfolio asset duration and aggressive reduction of cash levels. No loans were booked during the year to sustain portfolio liquidity.

Return on Investment (ROI) for the year was 7.61% y-o-y, a significant improvement over 0.93% registered in 2008. Also, Net Asset Value per Share (NAVPS) closed higher at PHP1.1894 compared to PHP1.1274 in the previous year.

Sun Life Prosperity Dollar Advantage Fund, Inc.

INVESTMENT APPROACH

The Fund received a new mandate in late 2009, formally making it a USD-denominated Balanced Fund capable of investing in offshore global equity and fixed income funds with 5-star Morningstar ratings. The Fund is envisioned to have a 60:40 split in favor of either fixed income or equity investments. Investment strategy remains view-driven and all bond holdings are restricted to liquid, investment-grade issues.

FINANCIAL RESULTS

The Fund's net assets registered a 10% increase from USD17 Million in 2008 to USD19 Million in 2009 mainly due to subscription of redeemable shares including those tagged as deposits for future subscriptions amounting to USD2.7 Million, coupled with another USD1.6 Million total comprehensive income for the year. Shareholders redeemed a total of USD2.6 Million during the same period.

Net realized loss on investments decreased by USD816 Thousand from a USD839 Thousand loss in 2008 to USD23 Thousand loss in 2009 due to improved global market condition in the current year. With the further recognition of unrealized gain on marked-to-market valuation of Dollar Bonds and Investment in global equities amounting to USD1.4 Million, total comprehensive income in 2009 increased by USD 4 Million from the USD 2.4 Million loss posted in 2008.

The Fund does not foresee any event that could trigger a direct or contingent financial obligation that is material to its operations. No material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Fund with unconsolidated entities/other persons were created during the reporting period. There are also no known trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations and liquidity.

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OUTLOOK

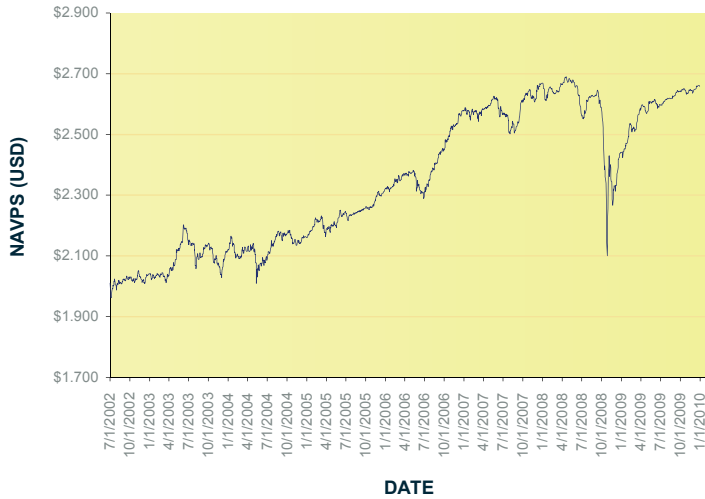
Conceivably if market recovery is further sustained, the global economic turmoil may well appear to be near the inflection point. A note of cautious optimism however is in order. While the tempo of economic contraction has decelerated, the pace of global recovery will be sober. Financial conditions remained feeble as the extensive slowdown in activity and the lack of credit continued to hound global trade.

Apart from projections of more challenging global interest rate conditions in 2010, political risks arising from the local national elections in May could dampen prospects for Philippine assets. Post elections, the main concern would be boosting economic recovery and growth thru continued deficit spending and refinancing maturing debts. A ballooning budget deficit could blight investors' risk appetite just as other Asian Emerging Market economies are probably poised to curb its stimulus deficit spending in the second half.

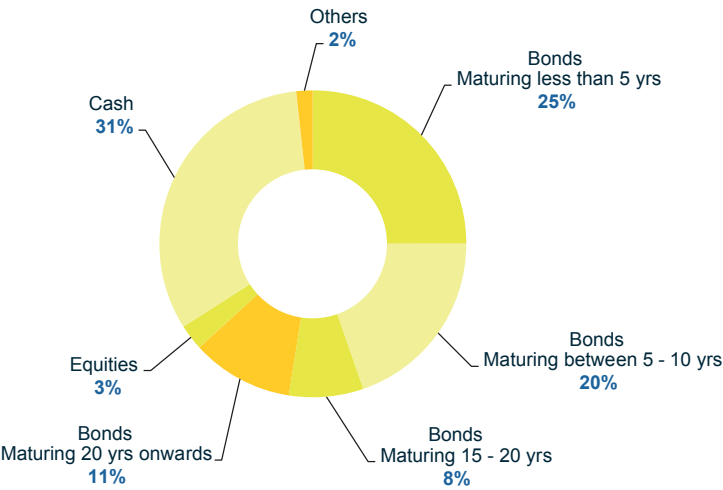
In a report released last December 15, 2009, Moody's opined that "2010 will be a tumultuous time for sovereign risk" based on its outlook for "uncertainties surrounding the likely pace and intensity of fiscal and monetary 'exit strategies' as governments start to unwind quantitative easing programs."

FORGING AHEAD

HISTORICAL PERFORMANCE



PORTFOLIO ASSET ALLOCATION



2009 PERFORMANCE REVIEW

Philippine dollar bond prices proved remarkably resilient despite some episodes of profit taking and sell-offs due to the arbitrary resurgence of aversion to risky assets. Nonetheless, positive investor sentiment was underpinned by the fact that the Philippine economy is one of the few in Asia that sidestepped the full impact of the global economic recession. The ROP bond price rally was sustained on the back of improving global economic conditions, though bond markets moved in sway with the robust rally in global equity markets.

The period also marked the first overseas equity-based investment of the fund, which is expected to increase as we steadily shift the fund's focus from being 100%-Philippine market invested to having a meaningful overseas investment exposure.

Return on Investment (ROI) for the year was 9.47% y-o-y. Net Asset Value Per Share (NAVPS) was also higher at USD2.5669.

Sun Life Prosperity Dollar Abundance Fund, Inc.

INVESTMENT APPROACH

Investment strategy remains view-driven and all bond holdings are restricted to liquid issues. Investment in corporate debt is limited to select investment grade assets. Increased exposure in longer tenors is in line with generally bullish prospects.

FINANCIAL RESULTS

The Fund's net assets increased by 125% from USD2.5 Million in 2008 to USD5.6 Million in 2009 mainly due to USD2.9 Million worth of issuance of redeemable shares including those tagged as deposit for future subscriptions, if any, slightly offset by the USD 274 Thousand redemptions. The Fund earned a total of USD448 Thousand from its operations in 2009.

Gross investment income went up by 58% from USD137 Thousand to USD217 Thousand, mainly due realized gain recognized on investments in the current year, slightly offset by the increase in operating expenses of 17% due to higher AUM. With the recognition of unrealized gain of USD 325 Thousand, net profit for the year increased by USD 647 Thousand from a net loss of USD 199 Thousand posted on same period last year.

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There are no significant elements of income nor loss that did not arise from the Fund's continuing operations.

OUTLOOK

Conceivably if market recovery is further sustained, the global economic turmoil may well appear to be near the inflection point. A note of cautious optimism however is in order. While the tempo of economic contraction has decelerated, the pace of global recovery will be sober. Financial conditions remained feeble as the extensive slowdown in activity and the lack of credit continued to hound global trade.

Apart from projections of more challenging global interest rate conditions in 2010, political risks arising from the local national elections in May could dampen prospects for Philippine assets. Post elections, the main concern would be boosting economic recovery and growth thru continued deficit spending and refinancing maturing debts. A ballooning budget deficit could blight investors' risk appetite just as other Asian Emerging Market economies are probably poised to curb its stimulus deficit spending in the second half.

In a report released last December 15, 2009, Moody's opined that "2010 will be a tumultuous time for sovereign risk" based on its outlook for "uncertainties surrounding the likely pace and intensity of fiscal and monetary 'exit strategies' as governments start to unwind quantitative easing programs."

FORGING AHEAD

HISTORICAL PERFORMANCE

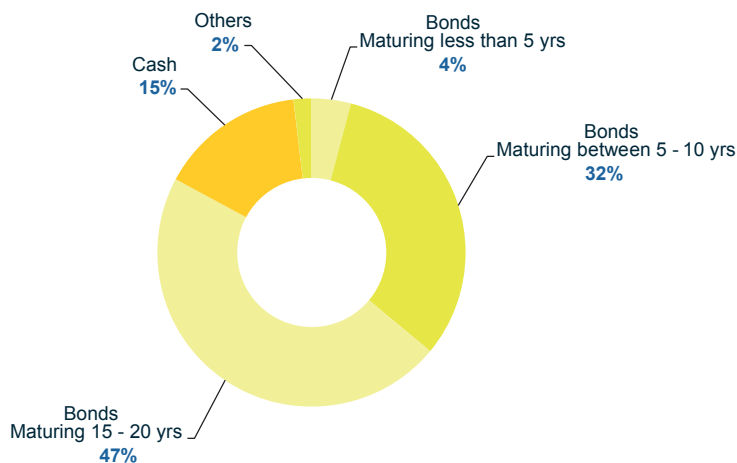


2009 PERFORMANCE REVIEW

Philippine dollar bond prices proved remarkably resilient despite sporadic episodes of profit taking and sell-offs due to the arbitrary resurgence of aversion to risky assets. Positive investor sentiment was underpinned by the fact that the Philippine economy is one of the few in Asia that has so far sidestepped the full impact of the global recession. The ROP bond price rally was sustained on the back of improving global economic conditions. Bond markets moved in sway with the robust rally in global equity markets.

Return on Investment (ROI) for the year was a robust 16.31% y-o-y, compared to -6.93% chalked up in 2008. Net Asset Value Per Share (NAVPS) was also higher at USD2.3577 from USD2.0271 for the same period.

PORTFOLIO ASSET ALLOCATION



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Boards of Directors and Shareholders

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 GS FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
(Open-End Investment Companies)

The management of the Sun Life Prosperity Funds is responsible for all information and representations contained in the financial statements for the years ended December 31, 2009 and 2008. The financial statements have been prepared in conformity with Philippine Financial Reporting Standards and reflect amounts that are based on the best estimates and informed judgment of management with an appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized.

The Boards of Directors review the financial statements before such statements are approved and submitted to the stockholders of the Sun Life Prosperity Funds.

Manabat Delgado Amper & Co., the independent auditors appointed by the stockholders, have examined the financial statements of the Sun Life Prosperity Funds in accordance with Philippine Standards on Auditing and have expressed their opinion on the fairness of presentation upon completion of such examination, in their report to the Boards of Directors and stockholders.


Rizalina G. Mantaring
Chairman of the Board


Ben Thomas P. Panares
President


Maria Carmela L. Toribio
Treasurer


Maria Carmela L. Toribio
Chief Finance Officer, SLAMCI

FORGING AHEAD

Deloitte. | Manabat DelgadoAmper & Co.

The Boards of Directors and Shareholders

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 GS FUND, INC.
SUN LIFE PROSPERITY DOLLAR ADVANTAGE FUND, INC.
SUN LIFE PROSPERITY DOLLAR ABUNDANCE FUND, INC.
(Open-End Investment Companies)

5th Floor, Salamin Building
197 Salcedo St., Legaspi Village,
Makati City, Philippines
Tel: + 63 (2) 812 05 35
Fax: + 63 (2) 810 50 47
www.deloitte.com.ph

We have audited the accompanying financial statements of the Sun Life Prosperity Funds which comprise the statements of financial positions as of December 31, 2009 and 2008, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

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. This responsibility includes: designing, implementing and maintaining 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk 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.

OPINION

In our opinion, the financial statements present fairly, in all material aspects, the financial position of the Sun Life Prosperity Funds as of December 31, 2009 and 2008, and their financial performances and their cash flows for the years then ended in accordance with the Philippine Financial Reporting Standards.

PTR No. 2093811
January 7, 2010
Makati City

March 19, 2010

2009 FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION

Sun Life Prosperity Funds (Open-end Investment Companies)

STATEMENTS OF FINANCIAL POSITION	BOND		BALANCED		PHILIPPINE EQUITY	
	December 31		December 31		December 31	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
ASSETS						
Current Assets						
Cash	P24,684,915	P27,529,075	P30,821,186	P54,246,040	P30,461,404	P28,042,506
Accrued interest receivable	45,376,202	38,826,939	35,360,981	59,781,205	2,866,983	5,950,248
Dividends receivable	-	-	2,454,178	72,118	1,455,828	399,928
Financial assets at fair value through profit or loss	2,159,819,183	1,631,115,528	7,532,812,864	6,527,612,463	3,034,154,359	1,957,197,044
Held-to-maturity investments	-	-	-	-	-	-
Other current assets	-	2,532,994	42,566	5,273,915	-	-
Due from broker	-	-	-	-	-	2,615,434
Total Current Assets	2,229,880,300	1,700,004,536	7,601,491,775	6,646,985,741	3,068,938,574	1,994,205,160
Non-current Assets						
Loans and receivables	555,769,642	811,610,267	75,000,000	75,360,000	-	-
Other non-current assets	-	3,019,471	321,455	266,017	-	-
Total Non-current Assets	555,769,642	814,629,738	75,321,455	75,626,017	-	-
	P2,785,649,942	P2,514,634,274	P7,676,813,230	P6,722,611,758	P3,068,938,574	P1,994,205,160
LIABILITIES AND EQUITY						
Current Liabilities						
Accrued expenses	1,263,119	15,536,594	32,225,226	134,142,755	12,355,076	31,482,170
Income tax payable	1,832,020	-	-	-	-	-
Payable to fund manager	3,730,361	3,380,269	14,010,318	12,165,219	7,524,061	3,674,259
Total Current Liabilities	6,825,500	18,916,863	46,235,544	146,307,974	19,879,137	35,156,429
Equity						
Capital stock	3,730,399,542	3,700,136,121	200,000,000	200,000,000	200,000,000	200,000,000
Deposit for future stock subscription	-	-	6,976,705,988	7,402,944,367	2,560,902,206	2,377,616,531
Additional paid-in capital	1,388,237,305	1,306,134,239	485,215,598	366,738,123	260,368,292	202,823,355
Retained earnings	2,189,173,708	2,047,028,202	(31,341,149)	(1,393,371,670)	27,789,455	(821,361,108)
Treasury Shares	(4,528,986,113)	(4,557,581,151)	(2,751)	(7,036)	(516)	(30,047)
Total Equity	2,778,824,442	2,495,717,411	7,630,577,686	6,576,303,784	3,049,059,437	1,959,048,731
	P2,785,649,942	P2,514,634,274	P7,676,813,230	P6,722,611,758	P3,068,938,574	P1,994,205,160
NET ASSETS VALUE PER SHARE	P2.0567	P1.9463	P2.0123	P1.6535	P1.8490	P1.2885

FORGING AHEAD

STATEMENTS OF FINANCIAL POSITION

MONEY MARKET		GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
December 31		December 31		December 31		December 31	
2009	2008	2009	2008	2009	2008	2009	2008
PHP	PHP	PHP	PHP	USD	USD	USD	USD
P2,153,622	P21,903,741	P15,473,620	P3,966,020	\$197,492	\$340,141	\$148,448	\$157,724
222,169	4,861,767	3,317,791	1,732,933	331,408	403,101	105,812	60,853
-	-	-	-	-	-	-	-
293,700,000	478,196,533	180,303,633	71,237,080	18,471,544	16,586,385	5,380,956	2,471,400
-	50,121,372	-	-	-	-	-	-
-	574,980	-	-	-	-	-	-
-	-	-	-	-	-	-	-
296,075,791	555,658,393	199,095,044	76,936,033	19,000,444	17,329,627	5,635,216	2,689,977
-	-	-	-	-	-	-	-
147	101	-	-	-	-	-	-
147	101	-	-	-	-	-	-
P296,075,938	P555,658,494	P199,095,044	P76,936,033	\$19,000,444	\$17,329,627	\$5,635,216	\$2,689,977
832,085	26,830,960	111,368	3,599,901	67,869	82,058	5,731	182,318
46	34	-	-	52,641	73,152	13,264	10,356
255,694	498,880	308,130	100,281	30,252	24,451	17,708	3,524
1,087,825	27,329,874	419,498	3,700,182	150,762	179,661	36,703	196,198
1,000,000	1,000,000	1,695,015	1,058,261	124,000	124,000	40,000	32,637
149,207,476	406,539,346	-	-	3,686,884	3,288,621	878,739	-
143,349,464	125,746,957	187,946,098	109,782,549	13,700,229	13,973,256	4,273,735	3,365,583
1,431,476	(4,957,234)	11,959,102	7,225,741	1,344,219	(234,733)	408,232	(39,922)
(303)	(449)	(2,924,669)	(44,830,700)	(5,650)	(1,178)	(2,193)	(864,519)
294,988,113	528,328,620	198,675,546	73,235,851	18,849,682	17,149,966	5,598,513	2,493,779
P296,075,938	P555,658,494	P199,095,044	P 76,936,033	\$19,000,444	\$17,329,627	\$5,635,216	\$2,689,977
P1.1141	P1.0988	P1.1894	P1.1274	\$2.5669	\$2.3449	\$2.3577	\$2.0271

2009 FINANCIAL STATEMENTS

STATEMENTS OF COMPREHENSIVE INCOME

Sun Life Prosperity Funds (Open-end Investment Companies)

STATEMENTS OF COMPREHENSIVE INCOME	BOND		BALANCED		PHILIPPINE EQUITY	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
REVENUES - NET						
Interest	P226,935,688	P244,519,102	P201,661,150	P240,501,544	P20,960,109	P31,786,818
Dividends	-	-	P143,833,648	P167,665,214	P66,241,999	P68,847,378
Net realized gain (loss) on investments	5,100,495	(46,756,949)	34,836,717	(1,203,789,410)	(4,190,666)	(552,213,439)
Other income	9,650,000	3,250,000	990,570	250,000	722,627	-
	241,686,183	201,012,153	381,322,085	(795,372,652)	83,734,069	(451,579,243)
OPERATING EXPENSES						
Investment management fees	43,783,536	47,297,797	156,924,620	183,773,795	54,388,839	56,237,102
Taxes and licenses	1,942,657	2,405,596	1,865,597	10,621,730	2,601,117	4,743,722
Professional fees	332,045	115,071	79,683	230,142	37,675	159,720
Custodian fees	161,863	147,929	1,740,955	1,029,737	633,853	424,932
Directors fees	160,000	62,771	240,000	120,049	240,000	120,000
Printing and supplies	50,374	257,698	100,506	1,100,082	44,621	437,715
Other expenses	-	28,172	-	15,992	-	7,622
	46,430,475	50,315,034	160,951,361	196,891,527	57,946,105	62,130,813
Profit (Loss) Before Unrealized Gains on Investments	195,255,708	150,697,119	220,370,724	(992,264,179)	25,787,964	(513,710,056)
Net Unrealized Gain (Loss) on Investments	(7,526,300)	(75,416,158)	1,185,707,296	(1,305,732,542)	827,746,763	(697,821,193)
Profit (Loss) Before Tax	187,729,408	75,280,961	1,406,078,020	(2,297,996,721)	853,534,727	(1,211,531,249)
Income Tax Expense	45,583,902	46,065,632	44,047,499	53,382,988	4,384,164	6,508,043
Profit (Loss) for the Year	142,145,506	29,215,329	1,362,030,521	(2,351,379,709)	849,150,563	(1,218,039,292)
Basic Earnings per Share	P0.11	P0.02	P0.36	(P0.54)	P0.55	(P0.80)

FORGING AHEAD

STATEMENTS OF COMPREHENSIVE INCOME

MONEY MARKET		GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
2009	2008	2009	2008	2009	2008	2009	2008
PHP	PHP	PHP	PHP	USD	USD	USD	USD
P13,420,402	P22,532,174	P 7,676,996	P 5,648,336	\$632,789	\$1,438,797	\$163,605	\$169,133
-	-	-	-	-	-	-	-
-	-	-	(996,206)	(22,862)	(838,714)	51,236	(32,259)
2,320	6,424	-	-	4,066	-	1,734	-
13,422,722	22,538,598	7,676,996	4,652,130	\$613,993	\$600,083	\$216,575	\$136,874
3,984,761	5,205,498	1,878,496	1,418,164	298,748	421,211	58,084	48,826
87,956	363,601	48,406	29,781	29,627	10,635	880	965
70,737	75,867	65,892	70,785	2,350	2,541	1,605	1,815
10,461	8,712	6,954	6,408	3,888	3,908	707	412
160,000	62,771	160,000	80,000	3,478	1,928	3,478	1,862
24,268	106,650	33,473	68,383	569	4,023	445	1,880
50	4,994	-	200	-	523	-	-
4,338,233	5,828,093	2,193,221	1,673,721	338,660	444,769	65,199	55,760
9,084,489	16,710,505	5,483,775	2,978,409	275,333	155,314	151,376	81,114
-	-	3,768,493	(1,843,334)	1,383,667	(2,239,728)	325,197	(247,557)
9,084,489	16,710,505	9,252,268	1,135,075	1,659,000	(2,084,414)	476,573	(166,443)
2,695,779	4,767,400	1,793,820	1,285,625	80,048	340,198	28,419	32,318
6,388,710	11,943,105	7,458,448	(150,550)	1,578,952	(2,424,612)	448,154	(198,761)
P0.02	P0.02	P0.077	(P0.002)	\$0.22	(\$0.24)	\$0.29	(\$0.15)

2009 FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

Sun Life Prosperity Funds (Open-end Investment Companies)

BOND	For the Years Ended December 31				
	Capital Stock	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	P3,674,050,516	P1,272,583,354	P2,017,812,873	(P3,948,605,457)	P3,015,841,286
Profit for the year			29,215,329		29,215,329
Transactions with owners:					
Issuance of redeemable shares during the year	406,711,618	33,550,885	-	(1,321,427,522)	(881,165,019)
Redemption of redeemable shares during the year	(380,626,013)	-	-	712,451,828	331,825,815
Total Transactions with owners	26,085,605	33,550,885	-	(608,975,694)	(549,339,204)
Balance, December 31, 2008	P3,700,136,121	P1,306,134,239	P2,047,028,202	(P4,557,581,151)	P2,495,717,411
Profit for the year			142,145,506		142,145,506
Transactions with owners:					
Issuance of redeemable shares during the year	431,799,449	82,103,066	-	(712,621,360)	(198,718,845)
Redemption of redeemable shares during the year	(401,536,028)	-	-	741,216,398	339,680,370
Total Transactions with owners	30,263,421	82,103,066	-	28,595,038	140,961,525
Balance, December 31, 2009	P3,730,399,542	P1,388,237,305	P2,189,173,708	(P4,528,986,113)	P2,778,824,442

BALANCED	For the Years Ended December 31					
	Capital Stock	Deposit for future stock Subscriptions	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	P200,000,000	P8,801,310,275	P85,552,723	P1,117,889,269	(P2,563)	P10,204,749,704
Profit for the year				(2,351,379,709)		(2,351,379,709)
Transactions with owners:						
Issuance of redeemable shares during the year	1,441,504,486	-	210,513,650	-	(2,842,375,893)	(1,190,357,757)
Redemption of redeemable shares during the year	(1,530,713,966)	-	-	-	2,842,371,420	1,311,657,454
Issuance (redemption) of deposit for future stock subscriptions	-	(1,398,365,908)	-	-	-	(1,398,365,908)
Payment of dividends	89,209,480	-	70,671,750	(159,881,230)	-	-
Total Transactions with owners	-	(1,398,365,908)	281,185,400	(159,881,230)	(4,473)	(1,277,066,211)
Balance, December 31, 2008	P200,000,000	P7,402,944,367	P366,738,123	(P1,393,371,670)	(P7,036)	P6,576,303,784
Profit for the year				1,362,030,521		1,362,030,521
Transactions with owners:						
Issuance of redeemable shares during the year	681,077,717	-	118,477,475	-	(1,227,037,210)	(427,482,018)
Redemption of redeemable shares during the year	(681,077,717)	-	-	-	1,227,041,495	545,963,778
Issuance (redemption) of deposit for future stock subscriptions	-	(426,238,379)	-	-	-	(426,238,379)
Total Transactions with owners	-	(426,238,379)	118,477,475	-	4,285	(307,756,619)
Balance, December 31, 2009	P200,000,000	P6,976,705,988	P485,215,598	(P31,341,149)	(P2,751)	P7,630,577,686

FORGING AHEAD

STATEMENTS OF CHANGES IN EQUITY

PHILIPPINE EQUITY	For the Years Ended December 31					
	Capital Stock	Deposit for future stock Subscriptions	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	P200,000,000	P2,443,318,956	P128,643,162	P444,539,209	(P4,679)	P3,216,496,648
Profit for the year				(1,218,039,292)		(1,218,039,292)
Transactions with owners:						
Issuance of redeemable shares during the year	622,828,403	-	56,809,723	-	(1,062,629,618)	(382,991,492)
Redemption of redeemable shares during the year	(653,318,958)	-	-	-	1,062,604,250	409,285,292
Issuance (redemption) of deposit for future stock subscriptions	-	(65,702,425)	-	-	-	(65,702,425)
Payment of dividends	30,490,555	-	17,370,470	(47,861,025)	-	-
Total Transactions with owners	-	(65,702,425)	74,180,193	(47,861,025)	(25,368)	(39,408,625)
Balance, December 31, 2008	P200,000,000	P2,377,616,531	P202,823,355	(P821,361,108)	(P30,047)	P1,959,048,731
Profit for the year				849,150,563		849,150,563
Transactions with owners:						
Issuance of redeemable shares during the year	603,840,964	-	57,544,937	-	(985,716,028)	(324,330,127)
Redemption of redeemable shares during the year	(603,840,964)	-	-	-	985,745,559	381,904,595
Issuance (redemption) of deposit for future stock subscriptions	-	183,285,675	-	-	-	183,285,675
Total Transactions with owners	-	183,285,675	57,544,937	-	29,531	240,860,143
Balance, December 31, 2009	P200,000,000	P2,560,902,206	P260,368,292	P27,789,455	(P516)	P3,049,059,437

MONEY MARKET	For the Years Ended December 31					
	Capital Stock	Deposit for future stock Subscriptions	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	P1,000,000	P268,387,573	P120,695,825	(P2,758,015)	(P23,771)	P387,301,612
Profit for the year				11,943,105		11,943,105
Transactions with owners:						
Issuance of redeemable shares during the year	10,430,725	-	-	-	(1,156,052,961)	(1,145,622,236)
Redemption of redeemable shares during the year	(10,560,793)	-	(8,961,124)	-	1,156,076,283	1,136,554,366
Issuance (redemption) of deposit for future stock subscriptions	-	138,151,773	-	-	-	138,151,773
Payment of dividends	130,068	-	14,012,256	(14,142,324)	-	-
Total Transactions with owners	-	138,151,773	5,051,132	(14,142,324)	23,322	129,083,903
Balance, December 31, 2008	P1,000,000	P406,539,346	P125,746,957	(P4,957,234)	(P449)	P528,328,620
Profit for the year				6,388,710		6,388,710
Transactions with owners:						
Issuance of redeemable shares during the year	6,199,153	-	17,602,507	-	(667,649,137)	(643,847,477)
Redemption of redeemable shares during the year	(6,199,153)	-	-	-	667,649,283	661,450,130
Issuance (redemption) of deposit for future stock subscriptions	-	(257,331,870)	-	-	-	(257,331,870)
Total Transactions with owners	-	(257,331,870)	17,602,507	-	146	(239,729,217)
Balance, December 31, 2009	P1,000,000	P149,207,476	P143,349,464	P1,431,476	(P303)	P294,988,113

2009 FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN EQUITY

Sun Life Prosperity Funds (Open-end Investment Companies)

GS	For the Years Ended December 31				
	Capital Stock	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	P1,058,261	P110,012,039	P8,921,887	(P30,480,642)	P89,511,545
Profit for the year			(150,550)		(150,550)
Transactions with owners:					
Issuance of redeemable shares during the year	68,433	-	-	(23,901,246)	(23,832,813)
Redemption of redeemable shares during the year	(83,081)	(1,760,438)	-	9,551,188	7,707,669
Payment of dividends	14,648	1,530,948	(1,545,596)	-	-
Total Transactions with owners	-	(229,490)	(1,545,596)	(14,350,058)	(16,125,144)
Balance, December 31, 2008	P1,058,261	P109,782,549	P7,225,741	(P44,830,700)	P73,235,851
Profit for the year			7,458,448		7,458,448
Transactions with owners:					
Issuance of redeemable shares during the year	1,476,004	75,461,865	-	(54,818,673)	22,119,196
Redemption of redeemable shares during the year	(862,653)	-	-	96,724,704	95,862,051
Payment of dividends	23,403	2,701,684	(2,725,087)	-	-
Total Transactions with owners	636,754	78,163,549	(2,725,087)	41,906,031	117,981,247
Balance, December 31, 2009	P1,695,015	P187,946,098	P11,959,102	(P2,924,669)	P198,675,546

DOLLAR ADVANTAGE	For the Years Ended December 31					
	Capital Stock	Deposit for future stock Subscriptions	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	\$124,000	\$12,516,592	\$14,060,905	\$2,189,879	(\$66,783)	\$28,824,593
Profit for the year				(2,424,612)		(2,424,612)
Transactions with owners:						
Issuance of redeemable shares during the year	93,336	-	-	-	(10,983,079)	(10,889,743)
Redemption of redeemable shares during the year	(93,336)	-	(87,649)	-	11,048,684	10,867,699
Issuance (redemption) of deposit for future stock subscriptions	-	(9,227,971)	-	-	-	(9,227,971)
Total Transactions with owners	-	(9,227,971)	(87,649)	-	65,605	(9,250,015)
Balance, December 31, 2008	\$124,000	\$3,288,621	\$13,973,256	(\$234,733)	(\$1,178)	\$17,149,966
Profit for the year				1,578,952		1,578,952
Transactions with owners:						
Issuance of redeemable shares during the year	21,089	-	-	-	(2,587,339)	(2,566,250)
Redemption of redeemable shares during the year	(21,089)	-	(273,027)	-	2,582,867	2,288,751
Issuance (redemption) of deposit for future stock subscriptions	-	398,263	-	-	-	398,263
Total Transactions with owners	-	398,263	(273,027)	-	(4,472)	120,764
Balance, December 31, 2009	\$124,000	\$3,686,884	\$13,700,229	\$1,344,219	(\$5,650)	\$18,849,682

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STATEMENTS OF CHANGES IN EQUITY

DOLLAR ABUNDANCE	For the Years Ended December 31					
	Capital Stock	Deposit for future stock Subscriptions	Capital paid in excess of par value	Retained Earnings	Treasury Shares	Total
Balance, January 1, 2008	\$32,637	\$0	\$3,371,670	\$214,266	(\$446,023)	\$3,172,550
Profit for the year				(198,761)		(198,761)
Transactions with owners:						
Issuance of redeemable shares during the year	1,222	-	-	-	(595,875)	(594,653)
Redemption of redeemable shares during the year	(1,736)	-	(61,000)	-	177,379	114,643
Payment of dividends	514	-	54,913	(55,427)	-	-
Total Transactions with owners	-	-	(6,087)	(55,427)	(418,496)	(480,010)
Balance, December 31, 2008	\$32,637	\$0	\$3,365,583	(\$39,922)	(\$864,519)	\$2,493,779
Profit for the year				448,154		448,154
Transactions with owners:						
Issuance of redeemable shares during the year	20,047	-	908,152	-	(274,439)	653,760
Redemption of redeemable shares during the year	(12,684)	-	-	-	1,136,765	1,124,081
Issuance (redemption) of deposit for future stock subscriptions	-	878,739	-	-	-	878,739
Total Transactions with owners	7,363	878,739	908,152	-	862,326	2,656,580
Balance, December 31, 2009	\$40,000	\$878,739	\$4,273,735	\$408,232	(\$2,193)	\$5,598,513

2009 FINANCIAL STATEMENTS

STATEMENTS OF CASH FLOWS

Sun Life Prosperity Funds (Open-end Investment Companies)

STATEMENTS OF CASH FLOWS	BOND		BALANCED		PHILIPPINE EQUITY	
	For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit (Loss) before tax	P187,729,408	P75,280,961	P1,406,078,020	(P2,297,996,721)	P853,534,727	(P1,211,531,249)
Adjustment for:						
Net unrealized (gain) loss on investments	7,526,300	75,416,158	(1,185,707,296)	1,305,732,542	(827,746,763)	697,821,193
Amortization of premium	23,531,295	17,326,839	25,714,451	32,292,767	1,081,904	1,162,664
Gain on borrower's pre-termination of loans	(9,650,000)	(3,250,000)	-	(250,000)	-	-
Interest income	(226,935,688)	(244,519,102)	(201,661,150)	(240,501,544)	(20,960,109)	(31,786,818)
Dividend income	-	-	(143,833,648)	(167,665,214)	(66,241,999)	(68,847,378)
Operating cash flows before working capital changes	(177,98,685)	(79,745,144)	(99,409,623)	(1,368,388,170)	(60,332,240)	(613,181,588)
Net (purchases)/disposals of financial assets	(559,761,250)	111,392,794	154,792,444	2,146,706,432	(250,292,456)	439,262,105
Decrease (Increase) in:						
Due from broker	-	-	-	-	2,615,434	18,117,507
Other current assets	2,532,994	2,333,555	5,231,349	56,308,350	-	-
Loans receivables	-	-	-	(50,000,000)	-	-
Other non-current assets	3,019,471	2,508,827	(55,438)	(51,314)	-	-
Increase (Decrease) in:						
Accrued expenses	(14,273,475)	11,545,765	(101,917,529)	27,669,220	(19,127,094)	(160,124)
Payable to fund manager	350,092	(497,251)	1,845,099	(6,577,991)	3,849,802	(2,240,320)
Cash generated from (used in) operations	(585,930,853)	47,538,546	(39,513,698)	805,666,527	(323,286,554)	(158,202,420)
Income taxes paid	(43,751,882)	(46,397,067)	(44,047,499)	(53,388,360)	(4,384,164)	(6,508,043)
Net cash from (used in) operating activities	(629,682,735)	1,141,479	(83,561,197)	752,278,167	(327,670,718)	(164,710,463)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from pre-termination of loans and receivables	184,650,000	268,250,000	-	5,250,000	-	-
Principal payments received on corporate loans	80,840,625	1,793,730	360,000	960,000	-	-
Interest received	220,386,425	256,856,402	226,081,374	208,154,339	24,043,374	26,482,307
Dividends received	-	-	141,451,588	172,069,352	65,186,099	70,472,694
Net cash from investing activities	485,877,050	526,900,132	367,892,962	386,433,691	89,229,473	96,955,001
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issuance of redeemable shares	853,582,885	772,088,318	919,280,591	1,565,309,682	1,226,576,171	1,023,220,993
Payments on redemption of redeemable shares	(712,621,360)	(1,321,427,522)	(1,227,037,210)	(2,842,375,893)	(985,716,028)	(1,062,629,618)
Net cash (used in) from financing activities	140,961,525	(549,339,204)	(307,756,619)	(1,277,066,211)	240,860,143	(39,408,625)
Net Increase (Decrease) in Cash	(2,844,160)	(21,297,593)	(23,424,854)	(138,354,353)	2,418,898	(107,164,087)
Cash, Beginning	27,529,075	48,826,668	54,246,040	192,600,393	28,042,506	135,206,593
Cash, End	P24,684,915	P27,529,075	P30,821,186	P54,246,040	P30,461,404	P28,042,506

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STATEMENTS OF CASH FLOW

MONEY MARKET		GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31		For the Years Ended December 31	
2009	2008	2009	2008	2009	2008	2009	2008
PHP	PHP	PHP	PHP	USD	USD	USD	USD
P9,084,489	P16,710,505	P9,252,268	P1,135,075	\$1,659,000	(\$2,084,414)	\$476,573	(\$166,443)
-	-	(3,768,493)	1,843,334	(1,383,667)	2,239,728	(325,197)	247,557
121,372	1,432,227	1,326,487	812,706	99,708	171,192	20,373	12,192
-	-	-	-	-	-	-	-
(13,420,402)	(22,532,174)	(7,676,996)	(5,648,336)	(632,789)	(1,438,797)	(163,605)	(169,133)
-	-	-	-	-	-	-	-
(4,214,541)	(4,389,442)	(866,734)	(1,857,221)	(257,748)	(1,112,291)	8,144	(75,827)
234,496,533	(197,126,220)	(106,624,547)	8,104,672	(601,200)	8,267,904	(2,604,732)	141,423
-	-	-	-	-	-	-	-
574,980	(574,980)	-	-	-	-	-	-
(46)	(101)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(25,998,875)	25,234,257	(3,488,533)	2,485,736	(14,189)	14,060	(176,587)	179,291
(243,186)	218,676	207,849	(37,252)	5,801	(20,848)	14,184	(2,476)
204,614,865	(176,637,810)	(110,771,965)	8,695,935	(867,336)	7,148,825	(2,758,991)	242,411
(2,695,767)	(4,767,366)	(1,793,820)	(1,285,625)	(100,559)	(347,615)	(25,511)	(28,754)
201,919,098	(181,405,176)	(112,565,785)	7,410,310	(967,895)	6,801,210	(2,784,502)	213,657
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
18,060,000	19,182,641	6,092,138	5,853,576	704,482	1,727,803	118,646	187,820
-	-	-	-	-	-	-	-
18,060,000	19,182,641	6,092,138	5,853,576	704,482	1,727,803	118,646	187,820
427,919,920	1,285,136,863	172,799,920	7,776,102	2,708,103	1,733,064	2,931,019	115,865
(667,649,137)	(1,156,052,960)	(54,818,673)	(23,901,246)	(2,587,339)	(10,983,079)	(274,439)	(595,875)
(239,729,217)	129,083,903	117,981,247	(16,125,144)	120,764	(9,250,015)	2,656,580	(480,010)
(19,750,119)	(33,138,632)	11,507,600	(2,861,258)	(142,649)	(721,002)	(9,276)	(78,533)
21,903,741	55,042,373	3,966,020	6,827,278	340,141	1,061,143	157,724	236,257
P 2,153,622	P 21,903,741	P 15,473,620	P 3,966,020	\$197,492	\$340,141	\$148,448	\$157,724

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

1. CORPORATE INFORMATION

The Sun Life Prosperity Funds (the “Companies”) are registered open-end investment companies under the Investment Company Act (R.A. No. 2629) and the Securities Regulation Code (R.A. No. 8799). As open-end investment companies, their shares are redeemable anytime based on the net assets value per share (NAVPS) at the time of redemption.

SUN LIFE PROSPERITY FUNDS (THE “COMPANIES”)	INCORPORATION AND SEC REGISTRATION	START OF COMMERCIAL OPERATIONS
Sun Life of Canada Prosperity Bond Fund, Inc.	January 19, 2000	May 1, 2000
Sun Life of Canada Prosperity Balanced Fund, Inc.	December 21, 1999	May 1, 2000
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	January 17, 2000	May 1, 2000
Sun Life Prosperity Dollar Advantage Fund, Inc.	February 13, 2002	July 1, 2002
Sun Life Prosperity Money Market Fund, Inc.	March 5, 2004	July 1, 2004
Sun Life Prosperity Dollar Abundance Fund, Inc.	November 3, 2004	March 1, 2005
Sun Life Prosperity GS Fund, Inc.	November 3, 2004	March 1, 2005

Sun Life of Canada Prosperity Bond Fund, Inc.

Sun Life of Canada Prosperity Bond Fund, Inc. is engaged in the sale of redeemable shares and is designed to provide long-term interest income and principal preservation through investments in high-quality fixed-income securities issued by the Philippine government and prime Philippine companies aggregating below average risk.

Sun Life of Canada Prosperity Balanced Fund, Inc.

Sun Life of Canada Prosperity Balanced Fund, Inc. is engaged in the sale of redeemable shares and is designed to provide total returns consisting of current income and capital growth through investment in a mix of debt and equity securities from both domestic and foreign issuers.

Sun Life of Canada Prosperity Philippine Equity Fund, Inc.

Sun Life of Canada Prosperity Philippine Equity Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate long-term capital appreciation through investments in high-quality equity securities diversified across sectors and issue sizes to provide portfolio volatility.

Sun Life Prosperity Money Market Fund, Inc.

Sun Life Prosperity Money Market Fund, Inc. is engaged in the sale of redeemable shares and is designed to maximize income as is considered consistent with capital protection through investments in fixed-income securities and other related investments issued by the Philippine government, commercial papers issued by corporations within the Philippines, certificates of deposit and other short-term peso-denominated instruments.

Sun Life Prosperity GS Fund, Inc.

Sun Life Prosperity GS Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total returns consisting of current income and capital preservation through investments in fixed-income instruments issued by the Republic of the Philippines and denominated in Philippine pesos.

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Sun Life Prosperity Dollar Advantage Fund, Inc.

Sun Life Prosperity Dollar Advantage Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in US Dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits.

Sun Life Prosperity Dollar Abundance Fund, Inc.

Sun Life Prosperity Dollar Abundance Fund, Inc. is engaged in the sale of redeemable shares and is designed to generate total long-term returns consisting of current income and capital growth in US dollars through investments in foreign-currency denominated fixed-income investments issued by the Philippines, United States and other foreign governments and by Philippine and foreign corporations, common stocks and related securities, such as preferred stock, convertible securities, depository receipts issued by Philippine and foreign corporations and US-dollar denominated deposits.

The Companies appointed Sun Life Asset Management Company, Inc. (SLAMCI), an investment management company incorporated in the Philippines and a wholly-owned subsidiary of Sun Life of Canada (Philippines), Inc. (SLOCP), as their fund manager, adviser, administrator, distributor and transfer agent and provides management, distribution and all required operational services. Under the Management and Distribution Agreement, SLAMCI receives aggregate fees for these services at the following annual rates:

Sun Life of Canada Prosperity Bond Fund, Inc.	1.5% of daily average net assets managed
Sun Life of Canada Prosperity Balanced Fund, Inc.	2.0% of daily average net assets managed
Sun Life of Canada Prosperity Philippine Equity Fund, Inc.	2.0% of daily average net assets managed
Sun Life Prosperity Dollar Advantage Fund, Inc.	1.5% of daily average net assets managed
Sun Life Prosperity Money Market Fund, Inc.	0.80% of daily average net assets managed
Sun Life Prosperity Dollar Abundance Fund, Inc.	1.5% of daily average net assets managed
Sun Life Prosperity GS Fund, Inc.	1.5% of daily average net assets managed

The Companies' registered office address is at the 15th Floor, Tower II, The Enterprise Center, 6766 Ayala Avenue, Makati City.

2. ADOPTION OF NEW STANDARDS

Adoption of New and Revised Accounting Standards Effective in 2009

The Companies adopted the following new and revised accounting standards that have been published by the International Accounting Standards Board (IASB) and issued by the Financial Reporting Standards Council (FRSC) in the Philippines:

Effective for annual periods beginning on or after January 1, 2009:

- a. Amendments to PFRS 7: Improving Disclosures about Financial Instruments
- b. PAS 1 (Revised 2007), Presentation of Financial Statements
- c. Amendments on Puttable Financial Instruments under PAS 32 and PAS 1
- d. Improvements to PFRSs 2008

Effective for annual periods on or after July 1, 2009:

- e. IFRIC 17, Distribution of Non-cash Assets to Owners

These new and revised accounting standards and interpretations prescribe new accounting measurement and disclosure requirements applicable to the Companies. The effects of these new Philippine Financial Reporting Standards (PFRS) on the Companies' accounting policies and on the amounts disclosed in the financial statements are summarized as follows:

Effective for annual periods beginning on or after January 1, 2009:

The "Amendments to PFRS 7: "Improving Disclosures about Financial Instruments" introduces a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of the fair value measurements. These disclosures help improved comparability between entities about the effects of the fair value measurements. In addition, the amendment clarifies and enhances the existing requirements for the disclosure of liquidity risk. This is aimed at ensuring that the information disclosed enables users of an entity's financial statements to evaluate the nature and extent of liquidity risk arising from financial instruments and how the entity manages that risk.

The adoption of these amendments resulted in additional disclosures included in Note 10.

PAS 1 (Revised 2007), "Presentation of Financial Statements," requires an entity to present all items of income and expenses recognized in the period in a single statement of comprehensive income or in two statements: a separate statement of income and a statement of comprehensive income. The statement of income discloses income and expense recognized in profit or loss in the same way as the current version of PAS 1. The statement of comprehensive income discloses profit or loss for the period, plus each component of income and expense recognized outside of profit or loss classified by nature. Changes in equity arising from transactions with owners are excluded from the statement of comprehensive income (e.g. dividends and capital increase). An entity is also required to present a statement of financial position (balance sheet) as at the beginning of the earliest comparative period in a complete set of financial statements when the entity applies an accounting policy retrospectively or makes a retrospective restatement. An entity also discloses the income tax relating to each component of other comprehensive income.

This resulted to changes in the presentation and disclosures of the financial statements.

The "Amendments on Puttable Instruments under PAS 32 and PAS 1" addresses the issue of whether a financial instrument that requires the issuer to redeem for cash is to be classified as a liability or would be considered as equity. This amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: puttable financial instruments, such as, some shares issued by co-operative entities; and instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, such as, some partnership interests and some shares issued by limited life entities. Additional disclosures are required about the instruments affected by the amendments.

This resulted in the presentation of the equity position in the statements of financial position and additional disclosures in Notes 14 and 15.

"Improvements to PFRSs 2008," comprises the results of amendments and conclusions the FRSC has reached on proposals made in its annual improvements project. The FRSC decided to initiate an annual improvements project in 2007 as a method of making necessary, but non-urgent, amendments to PFRS that will not be included as part of another major project. The FRSC's objective was to ease the burden for all concerned by presenting the amendments in a single document rather than as a series of piecemeal changes. The amendments in the "Improvements to

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PFRSs 2008” are presented in two parts: those that involve accounting changes for presentation, recognition or measurement purposes and those involving terminology or editorial changes with minimal effect on accounting.

Amendments that results in accounting changes for presentation, recognition, or measurement purposes, Part 1 of the “Improvements to PFRSs 2008” are as follows:

PFRS 7, “Financial Instruments: Disclosures”, “Presentation of finance costs,” Resolution of the potential conflict between PAS 1 and PFRS 7 by amending the Implementation Guidance accompanying PFRS 7 that clarifies that interest income is not a component of finance costs.

PAS 8 (Revised), “Accounting Policies, Changes in Accounting Estimates and Errors”, “Status of implementation guidance,” clarifies that application of the guidance issued with PFRSs that is not an integral part of the Standard is not mandatory in selecting and applying accounting policies.

Amendments expected to have no or minimal effects on accounting, Part 2 of the “Improvements to PFRSs 2008” are as follows:

PAS 10, “Events after Balance Sheet Date”, “Dividends declared after the end of the reporting period,” clarifies the explanation as to why a dividend declared after the reporting period does not result in the recognition of a liability.

The adoption of the above amendments did not have a material impact on the financial statements.

IFRIC 17 clarifies that: a dividend payable should be recognized when the dividend is appropriately authorized and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; an entity should recognize the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. IFRIC 17 also requires an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation. IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions.

The adoption of the above amendments did not have a material impact on the financial statements.

New Accounting Standards Effective Subsequent to the Accounting Period Ended December 31, 2009 *Effective for annual periods beginning on or after January 1, 2010 the Companies will adopt Improvements to PFRSs 2009*

“Improvements to PFRSs 2009,” is a collection of amendments to twelve PFRS, issued by the FRSC which comprise the latest set of annual improvements. The FRSC uses the annual improvements project to make necessary, but non-urgent, amendments to PFRS that will not be included as part of another major project. The 2009 amendments reflects issues that were included in exposure drafts of (a) proposed amendments to PFRS in October 2007; (b) proposed amendments to PFRS in August 2008; and (c) January 2009.

The adopted amendments arising from the improvements in 2009 affect the following PFRS:

PAS 7, “Statement of Cash Flows”, “Classification of expenditures on unrecognized assets,” requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

PAS 18, “Revenue”, “Determining whether an entity is acting as a principal or as an agent,” additional guidance added to the appendix to PAS 18 Revenue regarding the determination as to whether an entity is acting as a principal or an agent.

The Companies are currently assessing the impact of the adoption of the above new accounting standards in the financial statements.

3. FINANCIAL REPORTING FRAMEWORK

Statement of Compliance

The financial statements of the Companies have been prepared in accordance with the PFRS. PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as approved by the FRSC and adopted by the SEC.

Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis, except for financial assets carried either at fair value or at amortized cost.

These financial statements are presented in Philippine Peso and United States Dollar, the currency of the primary economic environment in which the Companies' operate.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Assets

Financial assets are recognized in the Companies' financial statements when the Companies become a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets, except for investments classified as at fair value through profit or loss. In a regular way purchase or sale, financial assets are recognized and derecognized, as applicable, using settlement date accounting.

Financial assets are derecognized by the Companies when:

- a. the contractual rights to the cash flows from the financial asset expire; or
- b. the contractual rights to receive cash flows have been transferred.

Other than cash and loans and receivables, the Companies' financial assets include investments at fair value through profit or loss.

Investments at fair value through profit or loss

Financial assets are classified as investments at fair value through profit or loss when they are acquired for trading or are designated upon initial recognition. Unless designated and considered as effective hedging instruments, derivatives are classified at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognized in profit or loss. The net gain or loss recognized in statements of income incorporates any dividend or interest earned on the financial asset.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that the Companies intend and are able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortized cost using the effective interest method.

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The effective interest method is a method of calculating the amortized cost of a financial asset and allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period.

Loans and receivables

Loans that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Short-term receivables are measured at net realizable values and any allowance for impairment or non-collectability shall be deducted from the initial amount recognized.

Due from Broker

Sale of securities to various brokers is recognized in the Company's financial statements on trade date. The corresponding amounts Due from Brokers are recognized using the carrying amount which approximates its fair value. Settlement is usually executed two to three days after trade date.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one (1) or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred discounted at the financial asset's original effective interest rate, i.e., the effective interest rate computed at initial recognition. The carrying amount of the asset shall be reduced directly and the amount of the loss shall be recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

Financial Liabilities

Financial liabilities are recognized in the Companies' financial statements when the Companies become a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of the Companies' financial liabilities, except for debt instruments classified as at fair value through profit and loss.

Since the Companies do not have financial liabilities classified as at fair value through profit or loss, all financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period.

Accruals are liabilities to pay for services that have been provided but have not been paid, invoiced or formally agreed with the supplier. It is necessary to estimate the amount or timing of accruals. However, the uncertainty is generally much less than for provisions.

Financial liabilities are derecognized by the Companies when the obligation under the liability is discharged, cancelled or expired.

Due to Broker

Purchase of securities from various brokers is recognized in the Company's financial statements on trade date. The corresponding amounts Due to Brokers are recognized using the carrying amount which approximates its fair value. Settlement is usually executed two to three days after trade date.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Companies after deducting all of its liabilities.

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The costs of acquiring Companies' own shares are shown as a deduction from equity attributable to the Companies' equity holders until the shares are cancelled or reissued. Such shares are subsequently sold or reissued, any consideration received, net of directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Companies' equity holders.

Investment Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount.

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

Dividend income from investments is recognized when the shareholders' right to receive payment has been established, normally at ex-dividend rate.

Operating Expenses

All expenses are accounted for on an accrual basis.

Related Parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control with the Company are also considered related parties.

Taxation

The income tax expense represents the sum of the final withholding taxes on interest income, tax currently payable and deferred tax, if any.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

Earnings per Share

The Companies compute its basic earnings per share by dividing the profit (loss) for the year of the Companies by the monthly weighted average number of issued and outstanding shares and deposit for future subscriptions if any, during the period.

Subsequent Events

The Companies identify subsequent events as events that occurred after the reporting period but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Companies' financial position at the reporting period are reflected in the financial statements. Non-adjusting subsequent events are disclosed in the notes to the financial statements when material.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical Judgments in Applying Accounting Policies

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

Fair value estimation

The fair value of financial instruments traded in active market is based on quoted prices in active markets at the reporting period. The fair values of investments in treasury notes are based on quoted prices in active markets. 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. The fair value of special savings accounts approximates its carrying value due to its short-term nature.

Revenue recognition

The Companies' revenue recognition policies require the use of estimates and assumptions that may affect the reported amounts of revenues and receivables. Differences between the amounts initially recognized and actual settlements are taken up in the accounts upon reconciliation. However, there is no assurance that such use of estimates may not result in material adjustments in future periods.

Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial assets

The Companies carry its financial assets at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective

evidence, i.e., foreign exchange rates, interest rates, volatility rates, the amount of changes in fair value would differ if the Companies utilized different valuation methodology. Any changes in fair value of these financial assets would affect directly the net profit or loss.

Asset impairment

The Companies perform an impairment review when certain impairment indicators are present. Determining the fair value of held-to-maturity investments, loans and receivables, which requires the determination of future cash flows expected to be generated from ultimate disposition of such assets, requires the Companies to make estimates and assumptions that can materially affect the financial statements. Future events could cause the Companies to conclude that investments are impaired. Any resulting impairment loss could have a material adverse impact on the financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Companies believe that its assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future additional impairment charges under PFRS.

6. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

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

Market risk

The Companies activity exposes it primarily to the financial risks of changes in interest rates and prices of equity securities in the stock market. There has been no change to the Companies exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk

The primary source of the Companies' interest rate risk relates to cash, corporate Loans and fixed rate treasury notes it holds.

The Companies manage the risk by actively monitoring the prevailing interest rate environment. The duration of the portfolio is reduced during periods of rising rates and widening credit spreads to maximize interest income potential. Conversely, the same is increased during periods of falling rates and narrowing credit spreads.

A 2% increase or decrease in the interest rates of Fixed Rate Treasury Notes has been determined for sensitivity analysis based on the exposure to interest rates for Fixed Rate Treasury Notes at the reporting period. The same is used for reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonable effect of a possible change in interest rates.

If interest rates of Fixed rate treasury notes and/or dollar bonds had been 2% (50 basis points for Money Market Fund) higher/lower and all other variables are held constant, the Companies' net income for the years ended 2009 and 2008 would have increased/decreased as follows:

FORGING AHEAD

	2009	2008
Bond Fund	P24,840,743	P24,261,710
Balanced Fund	P22,370,453	P51,279,579
Philippine Equity Fund	P1,864,666	P3,842,591
Dollar Advantage Fund	\$165,665	\$283,932
Money Market Fund	P32,599	P75,025
Dollar Abundance Fund	\$64,396	\$36,240
GS Fund	P2,106,748	P1,185,742

Equity price risk

The Balanced and Philippine Equity Companies are exposed to equity price risks arising from equity investment. Equity investments could either be held for strategic or trading purposes.

The risk is managed by the Companies by actively monitoring the Philippine Stock Exchange Index. Portfolios are traded based on a combination of regularly-carried out fundamental and technical analyses of stock prices.

Based on the exposure to equity price risks at the reporting period, if equity prices had been 2% higher/lower, net income for the years ended December 31, 2009 and 2008 would have been increased/decreased as follows:

	2009	2008
Balanced Fund	P66,812,330	P39,736,896
Philippine Equity Fund	P34,156,842	P24,658,750

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

Liquidity risk

Entities within the Sun Life Financial Group are required to have appropriate liquidity. This means having sufficient liquidity to be able to meet all obligations promptly under foreseeable adverse circumstances, whilst not having excessive liquidity.

The Companies manage liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Companies maintain adequate highly liquid assets in the form of cash and investment in special savings to assure necessary liquidity.

The following table details the Companies' expected maturity for its financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, except when the Companies anticipate that the cash flows will occur in a different period.

The Companies expect to meet its obligations from operating cash flows and proceeds of maturing financial assets.

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BOND FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	FIVE + YEARS	TOTAL
(IN THOUSANDS)						
2009						
Non-interest bearing	-	P24,685	-	-	-	P24,685
Fixed interest rate instruments	10.02%	P358,649	P708,246	P254,501	P883,799	P2,205,195
		P383,334	P708,246	P254,501	P883,799	P2,229,880
(IN THOUSANDS)						
2008						
Non-interest bearing	-	P27,529	-	-	-	P27,529
Fixed interest rate instruments	11.14%	P418,298	P51,261	P1,941,946	P72,580	P2,484,085
		P445,827	P51,261	P1,941,946	P72,580	P2,511,614

BALANCED FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	FIVE + YEARS	TOTAL
(IN THOUSANDS)						
2009						
Non-interest bearing	-	P30,821	-	-	-	P30,821
Fixed interest rate instruments	6.96%	P1,033,285	P561,540	P1,052,963	P50,682	P2,698,470
		P1,064,106	P561,540	P1,052,963	P50,682	P2,729,291
(IN THOUSANDS)						
2008						
Non-interest bearing	-	P54,246	-	-	-	P54,246
Fixed interest rate instruments	7.17%	P1,679,064	P1,224,549	P1,632,419	P139,877	P4,675,909
		P1,733,310	P1,224,549	P1,632,419	P139,877	P4,730,155

FORGING AHEAD

EQUITY FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	TOTAL
(IN THOUSANDS)					
2009					
Non-interest bearing	-	P30,461	-	-	P30,461
Fixed interest rate instruments	6.10%	P408,930	P12,366	P126,160	P547,456
		P439,391	P12,366	P126,160	P577,917
(IN THOUSANDS)					
2008					
Non-interest bearing	-	P28,043	-	-	P28,043
Fixed interest rate instruments	6.96%	P532,639	-	P197,570	P730,209
		P560,682	-	P197,570	P758,252

MONEY MARKET FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	TOTAL
(IN THOUSANDS)					
2009					
Non-interest bearing	-	P2,154	-	-	P2,154
Fixed interest rate instruments	2.46%	P293,922	-	-	P293,922
		P296,076	-	-	P296,076
(IN THOUSANDS)					
2008					
Non-interest bearing	-	P21,904	-	-	P21,904
Fixed interest rate instruments	5.73%	P384,668	P51,387	P97,125	P533,180
		P406,572	P51,387	P97,125	P555,084

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GS FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	ONE-FIVE YEARS	MORE THAN FIVE YEARS	TOTAL
(IN THOUSANDS)					
2009					
Non-interest bearing	-	P15,474	-	-	P15,474
Fixed interest rate instruments	7.98%	P50,943	P47,497	P85,181	P183,621
		P66,417	P47,497	P85,181	P199,095
(IN THOUSANDS)					
2008					
Non-interest bearing	-	P3,966	-	-	P3,966
Fixed interest rate instruments	8.07%	P11,957	P61,013	-	P72,970
		P15,923	P61,013	-	P76,936

DOLLAR ADVANTAGE FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	FIVE + YEARS	TOTAL
(IN THOUSANDS)						
2009						
Non-interest bearing	-	\$197	-	-	-	\$197
Fixed interest rate instruments	6.54%	\$5,941	\$790	\$4,290	\$7,265	\$18,286
		\$6,138	\$790	\$4,290	\$7,265	\$18,483
(IN THOUSANDS)						
2008						
Non-interest bearing	-	\$340	-	-	-	\$340
Fixed interest rate instruments	7.07%	\$4,640	\$834	\$707	\$10,809	\$16,990
		\$4,980	\$834	\$707	\$10,809	\$17,330

FORGING AHEAD

DOLLAR ABUNDANCE FUND

	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	LESS THAN ONE MONTH	THREE MONTHS TO ONE YEAR	ONE-FIVE YEARS	FIVE + YEARS	TOTAL
(IN THOUSANDS)						
2009						
Non-interest bearing	-	\$148	-	-	-	\$148
Fixed interest rate instruments	6.74%	\$711	\$106	\$232	\$4,438	\$5,487
		\$859	\$106	\$232	\$4,438	\$5,635
(IN THOUSANDS)						
2008						
Non-interest bearing	-	\$158	-	-	-	\$158
Fixed interest rate instruments	5.74%	\$659	\$104	-	\$1,769	\$2,532
		\$817	\$104	-	\$1,769	\$2,690

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Companies. The Companies have adopted a policy of only dealing with creditworthy counterparties, and only transact with entities that are rated the equivalent of investment grade of AAA down to minimum of BBB. This information is supplied by independent rating agencies when available and if not available, the Companies use other publicly available financial information and its own trading records to rate its major customers. The Companies' exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Companies do not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Companies define counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements represents the Companies' maximum exposure to credit risk. Carrying amounts of actual exposure as at the end of the year to private corporations are as follows:

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	BOND		BALANCED		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	USD	USD	USD	USD
Asian Terminals Inc.	-	100,000,000	-	-	-	-	-	-
Ayala Land Inc.	200,769,642	231,190,267	-	-	-	-	-	-
Filinvest Land Inc.	165,000,000	165,000,000	25,000,000	25,000,000	-	-	-	-
Fort Bonifacio Realty	-	420,000	-	360,000	-	-	-	-
Globe Telecom Inc.	-	125,000,000	-	-	-	-	-	-
PLDT (Bonds)	-	-	-	-	1,740,726	1,385,460	337,350	268,500
SM Investments Company Inc.	190,000,000	190,000,000	-	-	-	-	-	-
SM Prime Holdings	-	-	50,000,000	50,000,000	-	-	-	-
	P555,769,642	P811,610,267	P75,000,000	P75,360,000	\$1,740,726	\$1,385,460	\$337,350	\$268,500

7. CAPITAL RISK MANAGEMENT

The Companies manage its capital to ensure that the Companies will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the mix of high-quality debt and equity securities from domestic issuers. The Companies are guided by their Investment Policies and Legal Limitations. All the proceeds from the sale of shares, including the original subscription payments at the time of incorporation constituting the paid in capital, is held by the pertinent custodian banks.

The Companies are governed by the following fundamental investment policies:

- It does not issue senior securities.
- It does not intend to incur any debt or borrowing. In the event that borrowing is necessary, it can do so only if at the time of its incurrence or immediately thereafter there is asset coverage of at least 300% for all its borrowings.
- It does not participate in any underwriting or selling group in connection with the public distribution of securities, except for its own capital stock.
- It generally maintains a diversified portfolio. Industry concentrations may vary at any time depending on the investment manager's view on the prospects.
- It does not invest directly in real estate properties and developments.
- It does not purchase or sell commodity futures contracts.
- It does not engage in lending operations to related parties such as the members of the Board of Directors, officers of the Companies and any affiliates, or affiliated corporations of the Companies.
- The asset mix in each type of security is determined from time to time, as warranted by economic and investment conditions.
- It does not change its investment objectives without the prior approval of a majority of its shareholders.

As of December 31, 2009 and 2008, the Companies are in compliance with the minimum paid-in capital requirement of the SEC of P 50 million.

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The equity ratios at year end are as follows:

	BOND		BALANCED		PHILIPPINE EQUITY		MONEY MARKET	
	2009	2008	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
Equity	2,778,824,442	2,495,717,411	7,630,577,686	6,576,303,784	3,049,059,437	1,959,048,731	294,988,113	528,328,620
Total Assets	2,785,649,942	2,514,634,274	7,676,813,230	6,722,611,758	3,068,938,574	1,994,205,160	296,075,938	555,658,494
Equity Ratio	99.75%	99.25%	99.40%	97.82%	99.35%	98.24%	99.63%	95.08%

	GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	USD	USD	USD	USD
Equity	198,675,546	73,235,851	18,849,682	17,149,966	5,598,513	2,493,779
Total Assets	199,095,044	76,936,033	19,000,444	17,329,627	5,635,216	2,689,977
Equity Ratio	99.79%	95.19%	99.21%	98.96%	99.35%	92.71%

8. CASH

Cash in banks earned an average interest of 0.50% and 0.75 % during 2009 and 2008, for peso mutual fund companies and 0.30% and 0.50% in 2009 and 2008 respectively for dollar mutual fund companies as disclosed in Note 21.

9. ACCRUED INTEREST RECEIVABLE

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Treasury Notes	35,588,952	25,016,076	34,114,136	54,602,797	2,617,423	5,440,923
Special Savings	188,944	268,214	674,547	2,023,636	249,560	509,325
Corporate Loans	9,598,306	13,542,649	572,298	569,487	-	-
Treasury Bills	-	-	-	2,585,285	-	-
	45,376,202	38,826,939	35,360,981	59,781,205	2,866,983	5,950,248

	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Treasury Notes	-	1,265,555	3,312,285	1,725,524
Special Savings	222,169	267,647	5,506	7,409
Treasury Bills	-	3,328,565	-	-
	222,169	4,861,767	3,317,791	1,732,933

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	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Dollar-denominated bonds	331,356	403,096	105,805	60,842
Special Savings	52	5	7	11
	331,408	403,101	105,812	60,853

Management believes that the carrying amounts of the Companies' accrued interest receivables approximate fair values.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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).

BOND	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	P358,460,000	P358,460,000	-	P418,030,000	P418,030,000
Treasury Notes	P1,801,359,183	-	P1,801,359,183	P1,213,085,528	-	P1,213,085,528
	P1,801,359,183	P358,460,000	P2,159,819,183	P1,213,085,528	P418,030,000	P1,631,115,528

BALANCED	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	1,032,610,000	1,032,610,000	-	1,677,040,000	1,677,040,000
Treasury Notes	1,630,499,511	-	1,630,499,511	2,563,978,964	-	2,563,978,964
Treasury Bills			-	299,748,697	-	299,748,697
	1,630,499,511	1,032,610,000	2,663,109,511	2,863,727,661	1,677,040,000	4,540,767,661
Investments in listed equity securities	4,869,703,353	-	4,869,703,353	1,986,844,802	-	1,986,844,802
	6,500,202,864	1,032,610,000	7,532,812,864	4,850,572,463	1,677,040,000	6,527,612,463

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EQUITY	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	P408,680,000	P408,680,000	-	P532,130,000	P532,130,000
Treasury Notes	P135,908,596	-	P135,908,596	P192,129,556	-	P192,129,556
Treasury Bills	-	-	-	-	-	-
	P135,908,596	P408,680,000	P544,588,596	P192,129,556	P532,130,000	P724,259,556
Investments in listed equity securities	P2,489,565,763	-	P2,489,565,763	P1,232,937,488	-	P1,232,937,488
	P2,625,474,359	P408,680,000	P3,034,154,359	P1,425,067,044	P532,130,000	P1,957,197,044

MONEY MARKET	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	P293,700,000	P293,700,000	-	P384,400,000	P384,400,000
Treasury Bills	-	-	-	P93,796,533	-	P93,796,533
	-	P293,700,000	P293,700,000	P93,796,533	P384,400,000	P478,196,533

GS	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	P27,530,000	P27,530,000	-	P11,950,000	P11,950,000
Treasury Bills	P152,773,633	-	P152,773,633	P59,287,080	-	P59,287,080
	P152,773,633	P27,530,000	P180,303,633	P59,287,080	P11,950,000	P71,237,080

DOLLAR ADVANTAGE	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	\$5,941,940	\$5,941,940	-	\$4,639,800	\$4,639,800
Treasury Notes	\$12,013,424	-	\$12,013,424	\$11,946,585	-	\$11,946,585
	\$12,013,424	\$5,941,940	\$17,955,364	\$11,946,585	\$4,639,800	\$16,586,385
Investments in listed equity securities	\$516,180	-	\$516,180	-	-	-
	\$12,529,604	\$5,941,940	\$18,471,544	\$11,946,585	\$4,639,800	\$16,586,385

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DOLLAR ABUNDANCE	2009			2008		
	Level 1	Level 2	Total	Level 1	Level 2	Total
December 31, 2009						
Investments in fixed-income securities:						
Special Savings	-	\$711,200	\$711,200	-	\$659,400	\$659,400
Dollar-denominated bonds	\$4,669,756	-	\$4,669,756	\$1,812,000	-	\$1,812,000
	\$4,669,756	\$711,200	\$5,380,956	\$1,812,000	\$659,400	\$2,471,400

The movements are summarized as follows:

	BOND		BALANCED		PHILIPPINE EQUITY		MONEY MARKET	
	2009	2008	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
Balance, Beginning	1,631,115,528	1,835,251,319	6,527,612,463	10,012,344,204	1,957,197,044	3,095,443,006	478,196,533	281,930,000
Net Purchases (Disposals)	559,761,250	(111,392,794)	(154,792,444)	(2,146,706,432)	250,292,456	(439,262,105)	(184,496,533)	196,266,533
Amortization of discounts (premiums)	(23,531,295)	(17,326,839)	(25,714,451)	(32,292,767)	(1,081,904)	(1,162,664)	-	-
Unrealized fair value gains (losses)	(7,526,300)	(75,416,158)	1,185,707,296	(1,305,732,542)	827,746,763	(697,821,193)	-	-
	2,159,819,183	1,631,115,528	7,532,812,864	6,527,612,463	3,034,154,359	1,957,197,044	293,700,000	478,196,533

	GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	USD	USD	USD	USD
Balance, Beginning	71,237,080	81,997,792	16,586,385	27,265,209	2,471,400	2,872,572
Net Purchases (Disposals)	106,624,547	(8,104,672)	601,200	(8,267,904)	2,604,732	(141,423)
Amortization of discounts (premiums)	(1,326,487)	(812,706)	(99,708)	(171,192)	(20,373)	(12,192)
Unrealized fair value gains (losses)	3,768,493	(1,843,334)	1,383,667	(2,239,728)	325,197	(247,557)
	180,303,633	71,237,080	18,471,544	16,586,385	5,380,956	2,471,400

The fair values of investments in treasury notes are based on quoted price 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.

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Investments in special savings are carried at cost, which approximates fair value.

Net fair value gain (loss) recognized in the statements of comprehensive income under the “Net Unrealized Gain (Loss) on Investments” account amounted to as follows:

NET UNREALIZED GAIN (LOSS) ON INVESTMENTS	2009	2008
Bond Fund	(P7,526,300)	(P75,416,158)
Balanced Fund	P1,185,707,296	(P1,305,732,542)
Philippine Equity Fund	P827,746,763	(P697,821,193)
Dollar Advantage Fund	\$1,383,667	(\$2,239,728)
Money Market Fund	-	-
Dollar Abundance Fund	\$325,197	(\$247,557)
GS Fund	P3,768,493	(P1,843,334)

The following presents the breakdown of financial assets at fair value through profit or loss by contractual maturity dates:

	BOND		BALANCED		PHILIPPINE EQUITY		MONEY MARKET	
	2009	2008	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP	PHP	PHP
Due in one year or less	1,021,519,574	418,030,000	1,559,464,185	2,980,916,467	418,428,596	713,905,600	-	-
Due after one year through five years	254,501,060	1,142,116,830	1,052,963,578	1,472,218,353	126,160,000	10,353,956	-	-
Due after five year through ten years	808,949,871	53,261,100	19,411,868	87,632,841	-	-	-	-
Due after ten years	74,848,678	17,707,598	31,269,880	-	-	-	-	-
	2,159,819,183	1,631,115,528	P2,663,109,511	4,540,767,661	544,588,596	724,259,556	-	-

	GS		DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	USD	USD	USD	USD
Due in one year or less	47,625,200	11,950,000	6,400,607	5,446,800	711,200	760,275
Due after one year through five years	47,497,103	47,451,280	4,290,250	4,307,625	231,875	310,500
Due after five year through ten years	72,863,830	11,835,800	3,741,289	4,758,960	1,798,192	778,125
Due after ten years	12,317,500	-	3,523,218	2,073,000	2,639,689	622,500
	180,303,633	71,237,080	17,955,364	16,586,385	5,380,956	2,471,400

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Investments in listed equity securities of Balanced, Philippine Equity and Dollar Advantage Funds consist of:

BALANCED	2009		2008	
	Number of Shares Held	Market Value	Number of Shares Held	Market Value
	PHP	PHP	PHP	PHP
Phil Long Distance Telephone Co.	287,684	753,732,080	275,614	582,923,610
Ayala Corporation	1,672,276	505,863,490	1,448,176	302,668,784
Bank of the Phil Islands	9,479,948	455,037,504	5,489,948	211,362,998
Metropolitan Bank & Trust Company	6,238,300	280,723,500	2,991,200	68,797,600
SM Investments Corp.	841,548	273,503,100	418,448	80,342,016
Ayala Land Inc	23,751,920	267,209,100	2,403,920	15,385,088
SM Prime Holdings Inc	26,673,472	261,400,026	7,184,972	53,887,290
Security Bank Corp., Inc.	4,456,389	240,645,006	3,195,700	79,892,500
PNOC Energy Development Corp.	48,128,125	226,202,187	7,002,500	13,304,750
Globe Telecom, Inc.	239,715	219,339,225	242,925	184,623,000
Manila Water Company, Inc.	12,178,400	191,809,800	13,072,200	173,206,650
Banco de Oro Universal Bank	4,756,258	185,494,062	478,158	11,475,792
DMCI Holdings Inc	14,838,300	143,931,510	4,300	11,395
Robinsons Land Inc	10,360,000	134,680,000	-	-
GMA Holdings, Inc.	16,527,000	133,868,700	1,000	3,300
Intl Container Terminal Services	5,455,450	122,747,625	2,724,150	34,732,913
Cebu Holdings Inc	37,402,000	93,505,000	37,402,000	58,347,120
First Phil Holdings Corp	1,786,620	85,757,760	2,480,820	37,832,505
Jollibee Foods Corp.	1,314,150	72,278,250	775,750	32,193,625
Philex Mining Corporation	4,369,150	69,906,400	1,000	4,900
Megaworld Properties & Holdings	30,350,000	44,918,000	8,000	5,280
Filinvest Land, Inc.	39,026,250	35,123,625	6,250	2,437
Universal Robina Corporation	1,892,300	30,749,875	4,300	24,940
ABS-CBN Phils. Depository Receipt	619,400	17,962,600	10,900	136,250
Manila Electric Company "B"	62,072	12,724,760	673,702	40,085,269
First General Corporation	766,775	7,437,718	508,900	4,987,220
JG Summit Holdings Inc	355,500	2,346,300	-	-
Manulife	480	369,600	480	360,000
Union Bank of the Phils	6,400	236,800	6,400	137,600
San Miguel Corporation	1,100	75,350	1,100	44,550
San Miguel Corporation "B"	1,000	69,000	1,000	42,500
GMA Network, Inc.	3,000	23,400	3,000	10,350
Ionics Circuits Inc	15,000	19,500	15,000	6,000
Aboitiz Equity Ventures, Inc	1,000	9,000	1,000	5,600
Benpres Holdings Corp.	1,000	3,500	1,000	970
	303,857,982	4,869,703,353	88,833,813	1,986,844,802

FORGING AHEAD

Balanced Fund recognized dividend income amounting to P143,833,648 and to P167,665,214 in 2009 and 2008, respectively, from investment in listed equity securities.

EQUITY	2009		2008	
	Number of Shares Held	Market Value	Number of Shares Held	Market Value
	PHP	PHP	PHP	PHP
Phil Long Distance Telephone Co.	116,686	305,717,320	105,436	222,997,140
Bank of the Phil Islands	4,247,190	203,865,120	4,290,890	165,199,265
Ayala Land Inc	16,342,860	183,857,175	13,330,860	85,317,504
Ayala Corporation	599,020	181,203,550	510,920	106,782,280
PNOC Energy Development Corp.	30,939,375	145,415,063	21,408,500	40,676,150
Metropolitan Bank & Trust Company	2,854,400	128,448,000	2,685,000	61,755,000
SM Investments Corp.	388,186	126,160,450	281,636	54,074,112
SM Prime Holdings Inc	11,933,325	116,946,585	10,155,325	76,164,937
Banco de Oro Universal Bank	2,929,248	114,240,672	2,396,848	57,524,352
Globe Telecom, Inc.	106,917	97,829,055	121,587	92,406,120
Manila Water Company, Inc.	5,417,300	85,322,475	4,204,000	55,703,000
Megaworld Properties & Holdings	56,834,000	84,114,320	6,000	3,960
Security Bank Corp., Inc.	1,534,459	82,860,786	1,088,300	27,207,500
Philex Mining Corporation	4,866,475	77,863,600	5,100	24,990
GMA Holdings, Inc.	8,728,000	70,696,800	2,000	6,600
Robinsons Land Inc	5,140,000	66,820,000	-	-
Jollibee Foods Corp.	1,118,650	61,525,750	1,095,750	45,473,625
DMCI Holdings Inc	5,993,300	58,135,010	7,300	19,345
Intl Container Terminal Services	2,562,150	57,648,375	2,687,450	34,264,988
Universal Robina Corporation	3,225,900	52,420,875	900	5,220
First Phil Holdings Corp	965,540	46,345,920	1,699,040	25,910,360
ABS-CBN Phils. Depository Receipt	1,209,700	35,081,300	5,800	72,500
Cebu Holdings Inc	12,171,000	30,427,500	12,044,000	18,788,640
Filinvest Land, Inc.	33,589,000	30,230,100	9,000	3,510
Aboitiz Equity Ventures, Inc	2,005,000	18,045,000	5,000	28,000
First General Corporation	1,733,125	16,811,312	1,252,400	12,273,520
Manila Electric Company "B"	46,230	9,477,150	838,700	49,902,650
JG Summit Holdings Inc	232,500	1,534,500	3,000	5,100
San Miguel Corporation	2,400	164,400	2,400	97,200
San Miguel Corporation "B"	2,000	138,000	2,000	85,000
Manulife	140	107,800	140	105,000
Union Bank of the Phils	2,300	85,100	2,300	49,450
Ionics Circuits Inc	8,500	11,050	8,500	3,400
GMA Network, Inc.	1,000	7,800	1,000	3,450
Ginebra San Miguel, Inc.	200	4,350	200	2,650
Benpres Holdings Corp.	1,000	3,500	1,000	970
	217,847,076	2,489,565,763	80,258,282	1,232,937,488

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Philippine Equity Fund recognized dividend income amounting to P 66,241,999 and P 68,847,378 in 2009 and 2008, respectively, from investment in listed equity securities.

Investments in listed equity securities of Dollar Advantage Fund consist of 42,000 shares of Franklin Mutual Global Discovery Fund "A" with the carrying value of \$516,180 as of reporting period December 31, 2009.

11. DUE FROM BROKER

Due from broker account refers to amounts receivable from the broker arising from the sale of investments processed on or before reporting period, which are settled three (3) days after the transaction date.

Management believes that the carrying amount of the due from broker account approximates fair value.

12. LOANS AND RECEIVABLES

Bond

Loans and receivables pertain to amortized costs of corporate loans, which bear an average annual interest of 8.27% and 11.91% in 2009 and 2008, respectively, with maturity ranging from one (1) to five (5) years in 2009 and 2008.

Balanced

Loans and receivables pertain to amortized costs of corporate loans, which bear an average annual interest of 9.91% and 12.12% in 2009 and 2008, respectively, with maturity ranging from two (2) to seven (7) years in 2009 and 2008.

The movements in loans and receivables are summarized as follows:

	BOND		BALANCED	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Balance, Beginning	811,610,267	1,078,403,997	75,360,000	31,320,000
Additional- net	-	-	-	50,000,000
Pretermination	(175,000,000)	(265,000,000)	-	(5,000,000)
Maturities	(80,420,000)	-	-	-
Amortization of principal - net	(420,625)	(1,793,730)	(360,000)	(960,000)
Balance, end	555,769,642	811,610,267	75,000,000	75,360,000

13. HELD-TO-MATURITY INVESTMENT

Held-to-maturity investments pertain to the amortized cost of treasury notes which bear annual coupon rates of 8.5% in 2008 and with remaining maturity of two (2) months as of December 31, 2008 and with remaining maturity of two (2) months as of December 31, 2008. The investments earned interest in the amount of P421,683 and P3,177,148 in 2009 and 2008, respectively, as disclosed in Note 19. Interest income is net of amortization of premium of P121,372 in 2009 and P1,432,227 in 2008.

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The movements in held-to-maturity investments are summarized as follows:

MONEY MARKET	2009	2008
	PHP	PHP
Balance, Beginning	50,121,372	50,693,912
Additions	-	50,859,687
Maturities	(50,121,372)	(51,432,227)
Balance, end	-	50,121,372

The carrying amount of Money Market Fund's held-to-maturity investment approximates fair value.

14. OTHER CURRENT ASSETS

BALANCED	2009	2008
	PHP	PHP
Prepaid tax	P42,566	P1,231,434
Due from brokers	-	4,042,481
	P42,566	P5,273,915

Due from brokers account refers to sale of investments in listed equity securities processed on or before reporting period, which are settled three (3) days after the transaction date.

Management believes that the carrying amount of due from brokers approximates fair value.

Money Market

Other current assets in 2008 pertain to prepaid tax on treasury bills, which is amortized over the maturity of the financial asset.

15. ACCRUED EXPENSES

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Documentary stamp tax	262,992	46,847	18,953,471	19,661,235	7,463,142	6,516,392
Due to investors	314,916	15,016,907	2,771,790	10,651,788	1,208,844	17,621,332
Custodian fees	45,395	14,699	1,083,937	89,804	362,863	50,014
Withholding taxes	299,498	238,797	1,003,171	904,570	389,729	276,717
Professional fees	233,061	116,022	159,429	228,733	108,735	160,037
Due to brokers	-	-	-	94,307,515	-	4,027,377
Others	107,257	103,322	8,253,428	8,299,110	2,821,763	2,830,301
	1,263,119	15,536,594	32,225,226	134,142,755	12,355,076	31,482,170

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	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Due to investors	-	25,831,486	-	3,521,981
Withholding taxes	20,797	29,417	22,344	2,132
Professional fees	75,142	75,198	70,008	70,161
Transfer fees	-	-	-	-
Documentary stamp tax	78,003	84,557	872	1,529
Custodian fees	4,853	225	4,261	2,736
Subscriptions	-	-	-	-
Others	653,290	810,077	13,883	1,362
	832,085	26,830,960	111,368	3,599,901

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Due to investors	-	41,017	2,106	179,881
Withholding taxes	1,072	2,730	598	356
Professional fees	5,042	2,692	1,932	1,726
Custodianship fees	4,834	3,156	71	161
Subscriptions	-	-	-	-
Others	56,921	32,463	1,024	194
	67,869	82,058	5,731	182,318

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 (2) days after the transaction date.

Due to brokers account pertains to purchase of investments processed on or before reporting period, which are settled three (3) days after the transaction date.

Subscriptions account represents shares sold but not yet issued, pending submission of required documents from clients.

Others comprise of expenses related to the increase in authorized capital stock and printing and supplies accruals. Management believes that the carrying amount of the Companies' accrued expenses approximates fair value.

16. RELATED PARTY TRANSACTIONS

Transactions with related parties include the following:

a. Investment management

Management fees charged by SLAMCI to the Companies in 2009 and 2008 included in profit or loss under "Investment management fees" account are shown in the table below. The table likewise shows the accrued

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management fees as of December 31, 2009 and 2008 as shown under “Payable to fund manager” accounts 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	
	2009	2008	2009	2008
Bond Fund	P43,783,536	P47,297,797	P3,730,361	P3,380,269
Balanced Fund	P156,924,620	P183,773,795	P14,010,318	P12,165,219
Philippine Equity Fund	P54,388,839	P56,237,102	P7,524,061	P3,674,259
Dollar Advantage Fund	\$298,748	\$421,211	\$30,252	\$24,451
Money Market Fund	P3,984,761	P5,205,498	P255,694	P498,880
Dollar Abundance Fund	\$58,084	\$48,826	\$17,708	\$3,524
GS Fund	P1,878,496	P1,418,164	P308,130	P100,281

b. Remuneration of directors

The remuneration of the directors who are key management personnel of the Companies pertains to short-term benefits as follows. These are presented in the statements of comprehensive income under “Directors’ fees” account.

	DIRECTORS’ FEES	
	2009	2008
Bond Fund	P160,000	P62,771
Balanced Fund	P240,000	P120,049
Philippine Equity Fund	P240,000	P120,000
Dollar Advantage Fund	\$3,478	\$1,928
Money Market Fund	P160,000	P62,771
Dollar Abundance Fund	\$3,478	\$1,862
GS Fund	P160,000	P80,000

c. Shares of stock

As of December 31, 2009, SLOCPI held the following number of shares in the funds

	NUMBER OF SHARES	% OF NET ASSETS	
		2009	2008
Bond Fund	49,999,397	3.70%	3.90%
Balanced Fund	49,999,397	1.32%	1.26%
Philippine Equity Fund	49,999,397	3.03%	3.29%
Dollar Advantage Fund	499,397	6.80%	6.83%
Money Market Fund	49,659,689	18.76%	10.33%
Dollar Abundance Fund	530,597	22.35%	43.13%
GS Fund	(2009) 54,121,600 (2008) 53,060,392	32.40%	81.68%

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17. CAPITAL STOCK

BOND	2009		2008	
	PHP	SHARES	PHP	SHARES
Authorized:				
3,800,000,000 common shares at Php 1.00 par value	3,800,000,000	3,800,000,000	3,800,000,000	3,800,000,000
Issued and fully paid:				
At January 1,	3,700,136,121	3,700,136,121	3,674,050,516	3,674,050,516
Issuances during the year	431,799,449	431,799,449	406,711,618	406,711,618
Redemptions during the year	(401,536,028)	(401,536,028)	(380,626,013)	(380,626,013)
At December 31	3,730,399,542	3,730,399,542	3,700,136,121	3,700,136,121

BALANCED	2009		2008	
	PHP	SHARES	PHP	SHARES
Authorized:				
200,000,000 common shares at P1.00 par value	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:				
At January 1,	200,000,000	200,000,000	200,000,000	200,000,000
Issuances during the year	681,077,717	681,077,717	1,441,504,486	1,441,504,486
Redemptions during the year	(681,077,717)	(681,077,717)	(1,530,713,966)	(1,530,713,966)
Stock dividend declaration	-	-	89,209,480	89,209,480
At December 31	200,000,000	200,000,000	200,000,000	200,000,000
Deposit for future stock subscriptions, January 1	7,402,944,367	3,777,166,535	8,801,310,275	4,414,698,238
Issuances (redemptions)	(426,238,379)	(185,108,839)	(1,398,365,908)	(637,531,703)
Deposit for future stock subscriptions, December 31	6,976,705,988	3,592,057,696	7,402,944,367	3,777,166,535

EQUITY	2009		2008	
	PHP	SHARES	PHP	SHARES
Authorized:				
200,000,000 common shares at P1.00 par value	200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid:				
At January 1,	200,000,000	200,000,000	200,000,000	200,000,000
Issuances during the year	603,840,964	603,840,964	622,828,403	622,828,403
Redemptions during the year	(603,840,964)	(603,840,964)	(653,318,958)	(653,318,958)
Stock dividend declaration	-	-	30,490,555	30,490,555
At December 31	200,000,000	200,000,000	200,000,000	200,000,000

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EQUITY	2009		2008	
	PHP	SHARES	PHP	SHARES
Deposit for future stock subscriptions, January 1	2,377,616,531	1,320,420,367	2,443,318,956	1,327,118,118
Issuances (redemptions)	183,285,675	128,592,163	(65,702,425)	(6,697,751)
Deposit for future stock subscriptions, December 31	2,560,902,206	1,449,012,530	2,377,616,531	1,320,420,367

MONEY MARKET	2009		2008	
	PHP	SHARES	PHP	SHARES
Authorized:				
100,000,000 common shares at P0.01 par value	1,000,000	100,000,000	1,000,000	100,000,000
Issued and fully paid:				
At January 1,	1,000,000	100,000,000	1,000,000	100,000,000
Issuances during the year	6,199,153	619,915,334	10,430,725	1,043,072,424
Redemptions during the year	(6,199,153)	(619,915,334)	(10,560,793)	(1,056,079,252)
Stock dividend declaration	-	-	130,068	13,006,828
At December 31	1,000,000	100,000,000	1,000,000	100,000,000
Deposit for future stock subscriptions, January 1	406,539,346	380,830,650	268,387,573	252,941,482
Issuances (redemptions)	(257,331,870)	(216,051,672)	138,151,773	127,889,168
Deposit for future stock subscriptions, December 31	149,207,476	164,778,978	406,539,346	380,830,650

GS	2009		2008	
	PHP	SHARES	PHP	SHARES
Authorized:				
200,000,000 common shares at P0.01 par value	2,000,000	200,000,000	2,000,000	200,000,000
Issued and fully paid:				
At January 1,	1,058,261	105,826,050	1,058,261	105,826,050
Issuances during the year	1,476,004	147,600,419	68,433	6,843,338
Redemptions during the year	(862,653)	(86,265,340)	(83,081)	(8,308,072)
Stock dividend declaration	23,403	2,340,336	14,648	1,464,742
At December 31	1,695,015	169,501,465	1,058,261	105,826,050

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DOLLAR ADVANTAGE	2009		2008	
	AMOUNT	SHARES	AMOUNT	SHARES
Authorized:				
6,200,000 common shares at P1.00 par value	P6,200,000	6,200,000	P6,200,000	6,200,000
Issued and fully paid:				
At January 1,	124,000	6,200,000	124,000	6,200,000
Issuances during the year	21,089	1,054,426	93,336	4,666,801
Redemptions during the year	(21,089)	(1,054,426)	(93,336)	(4,666,801)
At December 31	\$124,000	6,200,000	\$124,000	6,200,000
Deposit for future stock subscriptions, January 1	\$3,288,621	1,114,119	\$15,693,218	5,060,707
Issuances (redemptions)	398,263	31,440	(9,227,971)	(3,946,588)
Deposit for future stock subscriptions, December 31	\$3,686,884	1,145,559	\$3,288,621	1,114,119

DOLLAR ABUNDANCE	2009		2008	
	AMOUNT	SHARES	AMOUNT	SHARES
Authorized:				
2,000,000 common shares at P1.00 par value	P2,000,000	2,000,000	P2,000,000	2,000,000
Issued and fully paid:				
At January 1,	32,637	1,631,870	32,637	1,631,870
Issuances during the year	20,047	1,002,341	1,222	61,096
Redemptions during the year	(12,684)	(634,211)	(1,736)	(86,807)
Stock dividend declaration	-	-	514	25,711
At December 31	\$40,000	2,000,000	\$32,637	1,631,870
Deposit for future stock subscriptions, January 1	-	-	-	-
Issuances (redemptions)	\$878,739	\$375,518	-	-
Deposit for future stock subscriptions, December 31	\$878,739	\$375,518	-	-

FORGING AHEAD

Treasury Stock

BOND	2009		2008	
	PHP	SHARES	PHP	SHARES
Balance, beginning	4,557,581,151	2,417,873,028	3,948,605,457	2,098,961,813
Acquired in the period	712,621,360	362,930,498	1,321,427,522	699,537,228
Reissuance	(741,216,398)	(401,536,028)	(712,451,828)	(380,626,013)
Balance, end	4,528,986,113	2,379,267,498	4,557,581,151	2,417,873,028

BALANCED	2009		2008	
	PHP	SHARES	PHP	SHARES
Balance, beginning	7,036	4,256	2,563	1,159
Acquired in the period	1,227,037,210	681,074,828	2,842,375,893	1,530,717,063
Reissuance	(1,227,041,495)	(681,077,717)	(2,842,371,420)	(1,530,713,966)
Balance, end	2,751	1,367	7,036	4,256

EQUITY	2009		2008	
	PHP	SHARES	PHP	SHARES
Balance, beginning	30,047	23,314	4,679	2,221
Acquired in the period	985,716,028	603,817,929	1,062,629,618	653,340,051
Reissuance	(985,745,559)	(603,840,964)	(1,062,604,250)	(653,318,958)
Balance, end	516	279	30,047	23,314

MONEY MARKET	2009		2008	
	PHP	SHARES	PHP	SHARES
Balance, beginning	449	408	23,771	21,663
Acquired in the period	667,649,137	619,915,197	1,156,052,961	1,056,057,997
Reissuance	(667,649,283)	(619,915,334)	(1,156,076,283)	(1,056,079,252)
Balance, end	303	271	449	408

GS	2009		2008	
	PHP	SHARES	PHP	SHARES
Balance, beginning	44,830,700	40,865,600	30,480,643	27,265,637
Acquired in the period	54,818,673	47,859,098	23,901,246	13,599,963
Reissuance	(96,724,704)	(86,265,340)	(9,551,188)	(8,308,072)
Balance, end	2,924,669	2,459,358	44,830,700	40,865,600

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DOLLAR ADVANTAGE	2009		2008	
	USD	SHARES	PHP	SHARES
Balance, beginning	1,178	506	66,783	26,046
Acquired in the period	2,587,339	1,056,129	10,983,079	4,641,261
Reissuance	(2,582,867)	(1,054,426)	(11,048,684)	(4,666,801)
Balance, end	5,650	2,209	1,178	506

DOLLAR ABUNDANCE	2009		2008	
	USD	SHARES	PHP	SHARES
Balance, beginning	864,519	401,656	446,023	203,889
Acquired in the period	274,439	233,484	595,875	284,574
Reissuance	(1,136,765)	(634,211)	(177,379)	(86,807)
Balance, end	2,193	929	864,519	401,656

18. ADDITIONAL PAID CAPITAL

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

YEAR	BOND	BALANCED	EQUITY	MONEY MARKET	GS	DOLLAR ADVANTAGE	DOLLAR ABUNDANCE
	PHP	PHP	PHP	PHP	PHP	USD	USD
2009	1,388,237,305	485,215,598	260,368,292	143,349,464	187,946,098	13,700,229	4,273,735
2008	1,306,134,239	366,738,123	202,823,355	125,746,957	109,782,549	13,973,256	3,365,583

19. STOCK DIVIDEND

On September 11, 2009, the Board of Directors of GS Fund declared 2% stock dividends to all investors of record as of September 30, 2009.

On February 26, 2008, the Board of Directors of GS Fund, Money Market Fund, Balanced Fund, Equity Fund and Abundance Fund declared 2% stock dividends to all investors of record as of June 27, 2008.

20. 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 net asset value per share (NAVPS) for share subscriptions and redemptions.

FORGING AHEAD

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 Company's Board of Directors and approved by 2/3 of the outstanding shareholders of the Company.
- 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 Company, or to any of its duly authorized representatives, is entitled to receive, by way of redemption, approximately his proportionate share of the Company's current net assets or the cash equivalent thereof. Shares are redeemable at any time at their net asset value less any applicable sales charges and taxes.

Net Assets Value per share (NAVPS) are computed as follows:

BOND	2009	2008
Total Equity	P2,778,824,442	P2,495,717,411
Issued and fully paid shares	1,351,132,044	1,282,263,093
NAVPS	P2.0567	P1.9463

BALANCED	2009	2008
Total Equity	P7,630,577,686	P6,576,303,784
Issued and fully paid shares	199,998,633	199,995,744
Deposit for future stock subscriptions	3,592,057,696	3,777,166,535
	3,792,056,329	3,977,162,279
NAVPS	P2.0123	P1.6535

EQUITY	2009	2008
Total Equity	P3,049,059,437	P1,959,048,731
Issued and fully paid shares	199,999,721	199,976,686
Deposit for future stock subscriptions	1,449,012,530	1,320,420,367
	1,649,012,251	1,520,397,053
NAVPS	P1.8490	P1.2885

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MONEY MARKET	2009	2008
Total Equity	P294,988,113	P528,328,620
Issued and fully paid shares	99,999,729	99,999,592
Deposit for future stock subscriptions	164,778,978	380,830,650
	264,778,707	480,830,242
NAVPS	P1.1141	P1.0988

GS	2009	2008
Total Equity	P198,675,546	P73,235,851
Issued and fully paid shares	167,042,107	64,960,450
NAVPS	P1.1894	P1.1274

DOLLAR ADVANTAGE	2009	2008
Total Equity	\$18,849,682	\$17,149,966
Issued and fully paid shares	6,197,791	6,199,494
Deposit for future stock subscriptions	1,145,559	1,114,119
	7,343,350	7,313,613
NAVPS	\$2.5669	\$2.3449

DOLLAR ABUNDANCE	2009	2008
Total Equity	\$5,598,513	\$2,493,779
Issued and fully paid shares	1,999,071	1,230,214
Deposit for future stock subscriptions	375,518	-
	2,374,589	1,230,214
NAVPS	\$2.3577	\$2.0271

NAVPS is based on issued and fully paid shares plus deposits for future stock subscription, if any. Issued and fully paid shares and deposits for future subscriptions are shown as follows:

FORGING AHEAD

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
Balance, January 1	1,282,263,093	1,575,088,703	199,995,744	199,998,841	199,976,686	199,997,779
Issuances	431,799,449	406,711,618	681,077,717	1,530,713,966	603,840,964	653,318,958
Redemptions	(362,930,498)	(699,537,228)	(681,074,828)	(1,530,717,063)	(603,817,929)	(653,340,051)
Balance, December 31	1,351,132,044	1,282,263,093	199,998,633	199,995,744	199,999,721	199,976,686
Deposit for future stock subscriptions, January 1	-	-	3,777,166,535	4,414,698,238	1,320,420,367	1,327,118,118
Issuances (redemptions)	-	-	(185,108,839)	(637,531,703)	128,592,163	(6,697,751)
Deposit for future stock subscriptions, December 31	-	-	3,592,057,696	3,777,166,535	1,449,012,530	1,320,420,367
	1,351,132,044	1,282,263,093	3,792,056,329	3,977,162,279	1,649,012,251	1,520,397,053

	MONEY MARKET		GS	
	2009	2008	2009	2008
Balance, January 1	99,999,592	99,978,337	64,960,450	78,560,413
Issuances	619,915,334	1,056,079,252	149,940,755	8,308,072
Redemptions	(619,915,197)	(1,056,057,997)	(47,859,098)	(21,908,035)
Balance, December 31	99,999,729	99,999,592	167,042,107	64,960,450
Deposit for future stock subscriptions, January 1	380,830,650	252,941,482	-	-
Issuances (redemptions)	(216,051,672)	127,889,168	-	-
Deposit for future stock subscriptions, December 31	164,778,978	380,830,650	-	-
	264,778,707	480,830,242	167,042,107	64,960,450

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
Balance, January 1	6,199,494	6,173,954	1,230,214	1,427,981
Issuances	1,054,426	4,666,801	1,002,341	86,807
Redemptions	(1,056,129)	(4,641,261)	(233,484)	(284,574)
Balance, December 31	6,197,791	6,199,494	1,999,071	1,230,214
Deposit for future stock subscriptions, January 1	1,114,119	5,060,707	-	-
Issuances (redemptions)	31,440	(3,946,588)	375,518	-
Deposit for future stock subscriptions, December 31	1,145,559	1,114,119	375,518	-
	7,343,350	7,313,613	2,374,589	1,230,214

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The authorized capital stocks of the Companies are as follows:

BALANCE AT END OF THE YEAR - 2009	AUTHORIZED CAPITAL STOCK IN PHILIPPINE PESO	AUTHORIZED CAPITAL STOCK IN NUMBER OF SHARES	PAR VALUE IN PHILIPPINE PESO
Bond Fund	3,800,000,000	3,800,000,000	1.00
Balanced Fund	40,000,000	4,000,000,000	0.01
Phil. Equity Fund	12,000,000	1,200,000,000	0.01
Dollar Advantage Fund	6,200,000	6,200,000	1.00
Money Market Fund	1,000,000	100,000,000	0.01
Dollar Abundance Fund	2,000,000	2,000,000	1.00
GS Fund	2,000,000	200,000,000	0.01

21. INTEREST INCOME

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Treasury Notes	152,620,392	137,255,105	155,492,466	135,384,341	9,860,262	7,174,920
Treasury Bills	-	-	9,398,208	2,585,284	289,975	-
Corporate Loans	65,575,160	91,944,202	7,423,644	5,625,513	-	-
Special Savings	8,635,969	15,161,540	29,198,987	96,382,937	10,656,345	24,172,852
Cash in Banks	104,167	158,255	147,845	523,469	153,527	439,046
	226,935,688	244,519,102	201,661,150	240,501,544	20,960,109	31,786,818

	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Special savings	10,041,338	15,879,821	447,219	708,463
Treasury bills	2,874,903	3,328,564	-	-
Treasury notes	421,683	3,177,148	7,189,583	4,900,967
Cash in bank	82,478	146,641	40,194	38,906
	13,420,402	22,532,174	7,676,996	5,648,336

FORGING AHEAD

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Dollar Bonds	630,567	1,357,929	162,788	158,951
Special Savings	1,562	78,870	266	9,358
Cash in Banks	660	1,998	551	824
	632,789	1,438,797	163,605	169,133

Interest income is recorded gross of withholding tax and the related final withholding taxes are shown as “Income Tax Expense” in the statements of comprehensive income.

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

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Investments at fair value through profit or loss	161,256,361	152,416,645	194,089,661	234,352,562	20,806,582	31,347,772
Loans and receivables	65,575,160	91,944,202	7,423,644	5,625,513	-	-
Bank Deposits	104,167	158,255	147,845	523,469	153,527	439,046
	226,935,688	244,519,102	201,661,150	240,501,544	20,960,109	31,786,818

	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Investments at fair value through profit or loss	12,916,241	19,208,385	7,636,802	5,609,430
Held-to-maturity investments	421,683	3,177,148	-	-
Bank deposits	82,478	146,641	40,194	38,906
	13,420,402	22,532,174	7,676,996	5,648,336

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Investments at fair value through profit or loss	632,129	1,436,799	163,054	168,309
Bank Deposits	660	1,998	551	824
	632,789	1,438,797	163,605	169,133

22. NET REALIZED GAIN (LOSS) ON INVESTMENTS

BALANCED	2009	2008
	PHP	PHP
Net realized gain (loss):		
Listed equity securities	21,885,205	(1,150,614,988)
Fixed-income securities	12,951,512	(53,174,422)
	34,836,717	(1,203,789,410)

Investments in fixed-income securities consist of investments in treasury notes, special savings and corporate loans.

23. OTHER INCOME

Bond

Other income represents gain from borrower's pre-termination of loans in 2009 and 2008.

Balanced

Other income represents doc stamp tax refund from equity transactions and gain from borrower's pre-termination of loans in 2009 and 2008 respectively.

Money Market Fund

Other income represents service charge equivalent to 0.25% of total redemptions redeemed by the shareholders within the seven (7) days holding period.

24. EARNINGS PER SHARE

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

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Profit (loss) for the year	142,145,506	29,215,329	1,362,030,521	(2,351,379,709)	849,150,563	(1,218,039,292)
Weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	1,299,007,546	1,462,505,762	3,805,746,221	4,369,955,222	1,539,313,091	1,530,426,924
Basic earnings (loss) per share	0.11	0.02	0.36	(0.54)	0.55	(0.80)

FORGING AHEAD

	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Profit (loss) for the year	6,388,710	11,943,105	7,458,448	(150,550)
Weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	387,014,607	535,749,440	96,722,506	72,931,188
Basic earnings (loss) per share	0.02	0.02	0.077	(0.002)

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Profit (loss) for the year	1,578,952	(2,424,612)	448,154	(198,761)
Weighted average number of issued and outstanding shares for the purpose of computing basic earnings per share	7,087,928	9,902,118	1,551,420	1,313,688
Basic earnings (loss) per share	0.22	(0.24)	0.29	(0.15)

As of December 31, 2009 and 2008, the Company has no dilutive potential ordinary shares.

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25. INCOME TAXES

The income tax expense represents the sum of current year expense and final withholding taxes on interest income. A reconciliation of the statutory income tax rate to effective income tax rate follows:

	BOND		BALANCED		PHILIPPINE EQUITY	
	2009	2008	2009	2008	2009	2008
	PHP	PHP	PHP	PHP	PHP	PHP
Accounting profit (loss)	187,729,408	75,280,961	1,406,078,020	(2,297,996,721)	853,534,727	(1,211,531,249)
Tax expense at 30% & 35% in 2009 & 2008, respectively	56,318,822	26,348,336	421,823,406	(804,298,852)	256,060,418	(424,035,937)
Addition to (Reduction from) income tax resulting from:						
Net operating loss carry-over (NOLCO)	-	(2,817,329)	45,761,144	66,855,605	17,167,044	21,745,785
Non-taxable (profit) loss	(1,530,149)	16,364,932	(53,601,109)	362,643,469	(18,615,400)	169,178,121
Unrealized fair value (gains)/losses of investments	2,257,890	26,395,655	(355,712,189)	457,006,389	(248,324,029)	244,237,418
Non deductible expense	-	-	7,714,335	11,302,468	324,571	406,932
Interest income subject to final tax	(11,462,661)	(20,225,962)	(21,938,088)	(40,126,091)	(2,228,440)	(5,024,276)
TOTAL	45,583,902	46,065,632	44,047,499	53,382,988	4,384,164	6,508,043

	MONEY MARKET		GS	
	2009	2008	2009	2008
	PHP	PHP	PHP	PHP
Accounting profit (loss)	9,084,489	16,710,505	9,252,268	1,135,075
Tax expense at 30% & 35% in 2009 & 2008, respectively	2,725,347	5,848,677	2,775,680	397,276
Addition to (Reduction from) income tax resulting from:				
Net operating loss carry-over (NOLCO)	1,300,774	2,037,584	657,967	585,803
Non-taxable (profit) loss	-	-	-	348,672
Unrealized fair value (gains)/losses of investments	-	-	(1,130,548)	645,167
Non deductible expense	36,411	501,279	-	-
Interest income subject to final tax	(1,366,753)	(3,620,140)	(509,279)	(691,293)
TOTAL	2,695,779	4,767,400	1,793,820	1,285,625

FORGING AHEAD

	DOLLAR ADVANTAGE		DOLLAR ABUNDANCE	
	2009	2008	2009	2008
	USD	USD	USD	USD
Accounting profit (loss)	1,659,000	(2,084,414)	476,573	(166,443)
Tax expense at 30% & 35% in 2009 & 2008, respectively	497,700	(729,545)	142,972	(58,255)
Addition to (Reduction from) income tax resulting from:				
Net operating loss carry-over (NOLCO)	-	-		
Non-taxable (profit) loss	6,859	293,550	(15,371)	11,291
Unrealized fair value (gains)/losses of investments	(415,100)	783,905	(97,559)	86,645
Non deductible expense	29,912	59,917	6,112	4,267
Interest income subject to final tax	(39,323)	(67,629)	(7,735)	(11,630)
TOTAL	80,048	340,198	28,419	32,318

Details of the Companies' NOLCO are as follows:

BALANCED					
Year Incurred	Year of Expiry	2008 Balance	Additions	Expired	2009 Balance
2006	2009	32,896,826	-	(32,896,826)	-
2007	2010	187,233,428	-	-	187,233,428
2008	2011	191,016,014	-	-	191,016,014
2009	2012	-	152,537,147	-	152,537,147
		411,146,268	152,537,147	(32,896,826)	530,786,589

PHILIPPINE EQUITY					
Year Incurred	Year of Expiry	2008 Balance	Additions	Expired	2009 Balance
2006	2009	14,986,718	-	(14,986,718)	-
2007	2010	65,770,983	-	-	65,770,983
2008	2011	62,130,813	-	-	62,130,813
2009	2012	-	57,223,478	-	57,223,478
		142,888,514	P57,223,478	(14,986,718)	185,125,274

MONEY MARKET					
Year Incurred	Year of Expiry	2008 Balance	Additions	Expired	2009 Balance
2006	2009	3,140,716	-	(3,140,716)	-
2007	2010	6,202,781	-	-	6,202,781
2008	2011	5,821,669	-	-	5,821,669
2009	2012	-	4,335,913	-	4,335,913
		15,165,166	1,195,197	(3,140,716)	16,360,363

GS					
Year Incurred	Year of Expiry	2008 Balance	Additions	Expired	2009 Balance
2006	2009	1,617,689	-	(1,617,689.00)	-
2007	2010	2,270,796	-	-	2,270,796
2008	2011	1,673,721	-	-	1,673,721
2009	2012	-	2,193,221	-	2,193,221
		5,562,206	2,193,221	(1,617,689.00)	6,137,738

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.

FORGING AHEAD



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

The carry forward benefit of Balanced Fund's MCIT amounting to P 137,481 and P 94,308 in 2009 and 2008, respectively, which is recorded under "Other non-current assets" account, is valid until 2012 and 2011, respectively.

On the other hand, the carry forward benefit of Money Market Fund's MCIT amounting to P46 and P101 in 2009 and 2008, which is recorded under "Other non-current assets" account, is valid until 2012 and 2011 respectively.

26. CONTINGENCY

In the opinion of the Management and its legal counsels, the Companies have no pending legal cases as of December 31, 2009 that may have a material effect on the Companies' financial position and results of operation.

27. APPROVAL

The financial statements were approved for issuance by the Audit Committee and Board of Directors on Management on March 19, 2010

CURRICULUM VITAE

BOARD OF DIRECTORS AND OFFICERS



RIZALINA G. MANTARING

50, Director/Chairman of the Board (August 1, 2009 to present)

Ms. Mantaring, Filipino, is currently the Chairman of the 7 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 Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., and Sun Life Prosperity Dollar Abundance Fund, Inc. She is also the President and Chief Executive Officer of the Sun Life Financial Philippines group, which includes Sun Life of Canada (Philippines), Inc., Sun Life Asset Management Company, Inc., Sun Life Financial Plans, Inc., and Sun Life Financial – Philippines Foundation, Inc. Prior to the foregoing, Ms. Mantaring has served as Deputy President of the Sun Life Financial Philippines group and as Regional Chief Operations Officer of Sun Life Financial Asia. She has also served as Chief Operating Officer of Sun Life of Canada (Philippines), Inc. and Information Systems Head, Asia Pacific Division of Sun Life Assurance Company of Canada. 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).

BEN THOMAS P. PANARES

49, Director/Chairman of the Board (December 19, 2009 to present)

Mr. Panares, Filipino-American, is currently the President of the 7 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 Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., and Sun Life Prosperity Dollar Abundance Fund, Inc. He is also the Chief Operating Officer of Sun Life Asset Management Company, Inc. Prior to joining Sun Life, Mr. Panares has served as Vice President - Financial Advisor at JP Morgan Chase in Houston, Texas, USA. He had a stint with Smith Barney Pte. Ltd. (Singapore) and Citigroup Asset Management (Philippines). He had also worked as a Financial Planner at American Express and as an Investment Specialist at the Bank of America. Early in his professional career, Mr. Panares had worked at Philamlife, Jardine CMG Life and PCI Brokers. Mr. Panares is a BS Business Management graduate of the Ateneo de Manila University. He obtained his MBA in International Management from the Garvin School of International Management Thunderbird in Glendale, Arizona, USA.



FORGING AHEAD

NILO B. PEÑA

73, Director (December 21, 1999 to present)

Atty. Peña, Filipino, is a Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc. and Sun Life of Canada Prosperity Balanced Fund, Inc. He has actively and continuously engaged in the practice of law with Quasha Ancheta Peña & Nolasco (originally William H. Quasha & Associates), first as an underbar in 1960 and now as a Senior Partner. He is a member of the Boards of Trustees of the St. Luke's Medical Center, Inc. and St. Luke's College of Medicine. He serves as Chairman of the Board of Standard Chartered Bank Employees' Retirement Fund and as Director of SLMC Bonifacio Global City MAB Corp. Atty. Peña also serves as Corporate Secretary of QBE Insurance (Philippines), Inc. and Marsh Philippines, Inc. He has the distinction of having served as Bar Examiner in Mercantile Law during the 1997 and 2006 Bar Examinations. Atty. Peña received his AA and Bachelor of Laws from the University of the Philippines.



OSCAR M. ORBOS

59, Independent Director (January 17, 2000 to present)



Atty. Orbos, Filipino, is an Independent Director of the Sun Life of Canada Prosperity Philippine Equity Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc. and Sun Life Prosperity Dollar Abundance Fund, Inc. He started his public service career as Congressman and then as Governor of the Province of Pangasinan. He has also served as Secretary of the Department of Transportation and Communication and then as Executive Secretary under President Corazon C. Aquino. He is also a successful and well-regarded journalist, commentator and political pundit. He also serves Chairman of the Board of Alpha Insurance & Surety Co., Inc. and as Partner of Orbos Cabusora & Taguiam Law Office. Atty. Orbos obtained his BS Economics and Bachelor of Laws from the University of the Philippines.

CURRICULUM VITAE

BOARD OF DIRECTORS AND OFFICERS



JOSE M. FAUSTINO

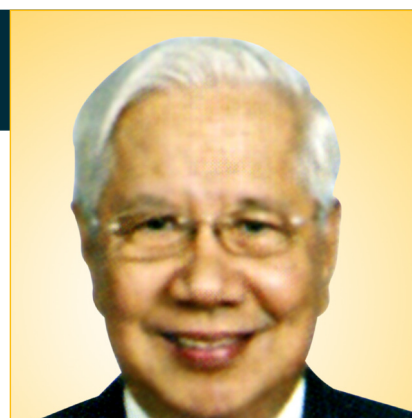
70, Independent Director (January 17, 2000 to present)

Prof. Faustino, Filipino, is an Independent Director of the Sun Life Prosperity GS Fund, Inc., Sun Life of Canada Prosperity Philippine Equity Fund, Inc. and Sun Life of Canada Prosperity Balanced Fund, Inc. He also serves as an independent director of Robinsons Thrift Bank. Prof. Faustino is the Goodyear Professor of Business of the Asian Institute of Management. He also serves as a Visiting Professor to Leiden University, the Netherlands and Universiti Kebangsaan, Malaysia. He is the recipient of the 1991 Agora Award for excellence in Marketing Education from the Philippine Marketing Association. Prof. Faustino holds a Master in Business Administration from the Harvard Business School and a Master of Arts in Economics from Amherst College. He received his Bachelor of Arts (Cum Laude) from the Ateneo de Manila University. He also attended the Top Management Program of the Asian Institute of Management.

OSCAR S. REYES

64, Independent Director (February 13, 2002 to present)

Mr. Reyes, Filipino, is an Independent Director of the Sun Life Prosperity Dollar Abundance Fund, Inc. and Sun Life Prosperity Dollar Advantage Fund, Inc. He also serves as a Director of Sun Life Financial Plans, Inc., Philippine Long Distance Telephone Company, Bank of the Philippine Islands, Ayala Land, Inc., Universal Robina Corporation, SMART Communications, Inc., Pepsi Cola Products Philippines, Inc., Manila Water Company, Basic Energy Corporation, Alcorn Gold Resources Corporation, First Philippine Electric Company, Petrolift Inc., Lnl Archipelago, Inc., Mindoro Resources Ltd., Global Resources for Outsourced Workers (GROW), Inc., CEO's Inc. and Tower Clun, Inc. He is also the Chairman of Basic EcoMarket Farms, Inc., MRL Gold Philippines, Inc. and Link Edge, Inc. He has recently been appointed as COO of Meralco. Mr. Reyes received his Bachelor of Arts in Economics (Cum Laude) and Master of Business Administration from the Ateneo de Manila University and Diploma in Business Administration and Certificate in Export Promotion from Waterloo University. He has also completed the Program for Management Development at the Harvard Business School.



FORGING AHEAD

FELICIANO L. MIRANDA, JR.

81, Independent Director (August 29, 2000 to present)

Mr. Miranda, Filipino, is an Independent Director of Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life Prosperity Money Market Fund, Inc. and Sun Life Prosperity GS Fund, Inc. He currently serves as the Chairman of the Boards of PNB International Finance Ltd. (HK), Bulawan Mining Corporation, Tansanite Investments (SPV-AMC), Inc., Tau Portfolio Investment (SPV-AMC), Inc., and Omicron Asset Portfolio (SPV-AMC), Inc. He is also a member of the Boards of the PNB group of companies, including the Philippine National Bank. A Certified Public Accountant, Mr. Miranda received his Bachelor of Commerce (major in Accounting) from the Far Eastern University and Master of Arts in Economics (Comparative Monetary Policies) from Georgetown University. Mr. Miranda had a distinguished career at the Central Bank of the Philippines, retiring from said institution as Deputy Governor, Bank Supervision and Examination.



ALELI ANGELA G. QUIRINO

66, Independent Director (January 19, 2000 to present)

Atty. Quirino, Filipino, is an Independent Director of Sun Life of Canada Prosperity Bond Fund, Inc., Sun Life of Canada Prosperity Balanced Fund, Inc. and Sun Life Prosperity Money Market Fund, Inc. She is currently a Senior Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRA Law). She also serves as Treasurer of ACCRAIN Holdings Corp. and as Director and Treasurer of ACCRALAW Scholarship Foundation, Inc., ACCRALAW Foundation, Inc., ACCRA Agents, Inc., Air Agents, Inc., SysNet Integrators, Inc., EP2, Inc., Ideawurx Inc., and the Intellectual Property Foundation, Inc., among others. She also serves as a Director of Fila Philippines, Inc., ACCRA Investments Corp., Anglo-Eastern Crew Management (Phils.), Inc., Hazama Philippines, Inc., LNC (SPV)-AMC Corp., LNC 3 Asset Management, Inc., Plaka Athena Holdings Corporation and New Pacific Resources Management (SPV-AMC), Inc. She is the Chairman of the Intellectual Property Association of the Philippines, President of the Ateneo Law Alumni Foundation, Inc. and Trustee-Corporate Secretary of Assumption College, Inc. 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.

CURRICULUM VITAE

BOARD OF DIRECTORS AND OFFICERS



MA. KARENINA M. CASAS

46, Director (March 17, 2009 to present)

Ms. Casas, Filipino, is currently a Director of the 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., and Sun Life Prosperity Dollar Abundance Fund, Inc. Until recently, Ms. Casas has served as President of the mentioned Funds as well as of Sun Life of Canada Prosperity Balanced Fund, Inc., and Sun Life of Canada Prosperity Philippine Equity Fund, Inc. She is also the Chief Administration Officer of the Sun Life Financial Philippines group. Ms. Casas obtained her BS Psychology from the Ateneo de Manila University. She also holds the designation of Professional, Customer Service and Associate, Customer Service.

JEMILYN S. CAMANIA

34, Corporate Secretary (August 12, 2005 to present)

Atty. Camania, Filipino, is the Corporate Secretary and General Counsel of the 7 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 Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., and Sun Life Prosperity Dollar Abundance Fund, Inc. She also serves as Counsel of Sun Life of Canada (Philippines), Inc. and Corporate Secretary and general counsel of Sun Life Asset Management Company, Inc. Prior to joining Sun Life, she had worked as an Associate of the Cayetano Sebastian Ata Dado & Cruz Law Offices. Atty. Camania received her Bachelor of Arts in Psychology and Bachelor of Laws from the University of the Philippines. She is also a Fellow, Life Management Institute and Associate, Customer Service (with honors).



FORGING AHEAD

MARIA CARMELA L. TORIBIO

43, Treasurer (March 17, 2009 - May 31, 2010)

Ms. Toribio, Filipino, is the Treasurer of the 7 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 Money Market Fund, Inc., Sun Life Prosperity GS Fund, Inc., Sun Life Prosperity Dollar Advantage Fund, Inc., and Sun Life Prosperity Dollar Abundance Fund, Inc. She also serves as Interim Chief Finance Officer and Treasurer of the Sun Life Financial Philippines group. Prior to joining Sun Life, Ms. Toribio served as Chief Finance Officer and Head of Systems and Control of the Ayala Life Assurance, Inc. Ms. Toribio graduated from the University of Santo Tomas with Bachelor of Science in Commerce (Major in Accounting) (Cum Laude) and garnered the 17th place in the October 1986 CPA Board exams.





MICHAEL G. MANUEL

Chief Investments Officer

Mr. Manuel is the Chief Investment Officer of SLF Philippines. He is also the Vice President of the Investments Department. He is responsible for the overall investment function and portfolio of Sun Life of Canada (Philippines) Inc. and its subsidiaries. As the former head of the Equities Section, he has been largely responsible for the exemplary performance of the equity funds and balanced funds. He completed a development assignment in Toronto, Canada where he gained high respect from his North American counterparts for his exceptional technical expertise in investment management. Mr. Manuel graduated from the Ateneo de Manila University with an AB Management Economics degree (1994) and an MA Economics from the University of the Philippines (2001).

EXEQUIEL J. MARAÑO, JR.

Head, Fixed Income

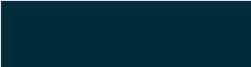
Mr. Maraño is the Assistant Vice-President (AVP) for Investments of Sun Life of Canada (Philippines), Inc. He joined Sun Life Investment in 1995 and is in charge of government bonds and money market. Prior to this, he spent 16 years with the Bank of the Philippines Islands and handled various positions in branch operations, credit, and as fund manager for fixed income common trust funds. Mr. Maraño earned his Bachelor's degree in Accounting at La Salle College, Bacolod. He took postgraduate studies at the Asian Institute of Management where he earned his Masters in Business Management in 1992.



MOISES ESGUERRA

Fund Manager

Mr. Esguerra is the Fund Manager for Investments of Sun Life of Canada (Philippines), Inc. He joined Sun Life Investment in 2005 and is currently part of the team that oversees the Equity-linked, Balance Funds and Dollar Advantage Fund of Sun Life Financial. Mr. Esguerra earned his Bachelor's degree in Management-Honors at Ateneo De Manila University. He is a Level 2 Candidate for Chartered Financial Analyst.





12/F Tower 2, The Enterprise Center
6766 Ayala avenue cor. Paseo de Roxas
Legaspi Village, Makati City

Call SunLink at 849-9888

www.sunlife.com.ph

